

THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF  
TELECOMMUNICATIONS & ENERGY**

ONE SOUTH STATION

**BOSTON, MA 02110**  
(617) 305-3500

**MITT ROMNEY**  
GOVERNOR

**KERRY HEALEY**  
LIEUTENANT GOVERNOR

**BETH LINDSTROM**  
DIRECTOR  
OFFICE OF CONSUMER AFFAIRS  
AND BUSINESS REGULATION

**PAUL G. AFONSO**  
CHAIRMAN

**JAMES CONNELLY, ESQ.**  
COMMISSIONER

**W. ROBERT KEATING**  
COMMISSIONER

**EUGENE J. SULLIVAN, JR.**  
COMMISSIONER

**DEIRDRE K. MANNING**  
COMMISSIONER

**Massachusetts Department of Telecommunications  
and Energy**

**2003 Annual Report**

## Table of Contents

Introduction . . . . .	1
Organizational Chart . . . . .	2
Electric Power Division . . . . .	3
Natural Gas Division . . . . .	12
Rates and Revenue Requirements Division . . . . .	19
Telecommunications Division . . . . .	27
Cable Television Division . . . . .	33
Energy Facilities Siting Board and Department Siting Division . . . . .	36
Pipeline Engineering and Safety Division . . . . .	41
Transportation Division . . . . .	46
Legal Division . . . . .	51
Consumer Division . . . . .	55
Executive Division . . . . .	59
Appendix 1 - Department Orders Issued in 2003 . . . . .	62
Appendix 2 - Cable Television Division Orders Issued in 2003 . . . . .	71
Appendix 3 - Energy Facility Siting Board Orders Issued in 2003 . . . . .	73
Appendix 4 - 2003 Consumer Division Statistics by Industry . . . . .	74

## **Introduction**

The Department of Telecommunications and Energy ("Department"), formerly the Department of Public Utilities, has a dual role of ensuring public safety and ensuring that regulated industries provide quality service at reasonable rates. Public safety, particularly in the natural gas pipeline and transportation industries, is the Department's most important responsibility. The safety and security of our utility and transportation infrastructure have taken on an increased level of importance at the Department since the terrorist attacks of September 11, 2001.

The Department is overseen by a five-member Commission appointed by the Governor. According to statute, one member must have a background in energy issues, another in telecommunications, one in cable television, and one member must have a background in consumer protection and advocacy. The Governor designates one of the Commissioners as Chairman.

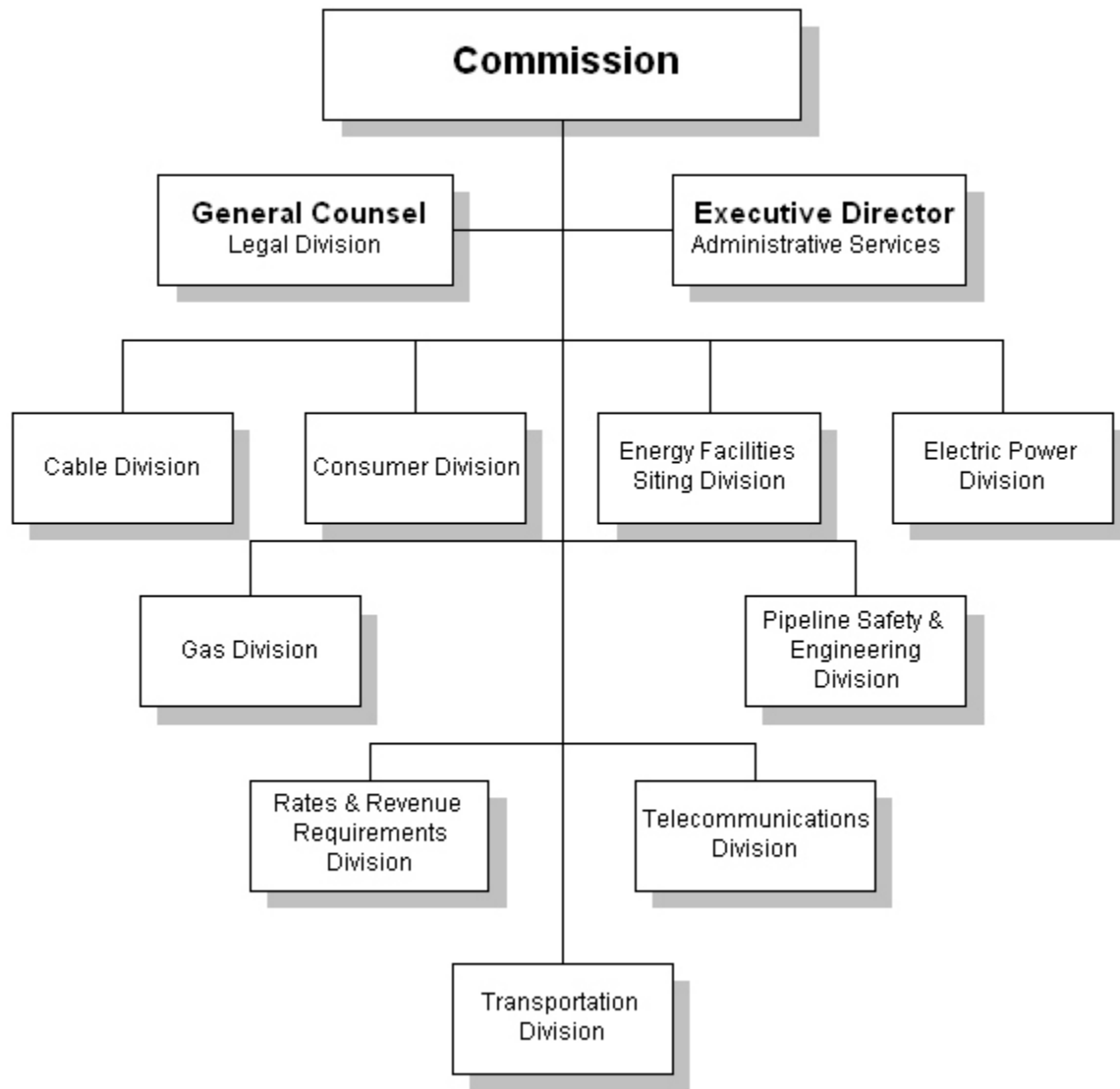
The Department has regulatory authority for a broad and significant portion of the Massachusetts economy. The Department's responsibilities include establishing rates and ensuring service quality for the investor-owned electric power, natural gas, telecommunications, and water industries. The Department also plays a role in setting rates in the transportation, water, and cable television industries. The Department does not regulate the rates or services of other public agencies, such as municipal electric companies or water authorities.

The energy and communications industries are in the midst of revolutionary changes in technology, market structure, and regulatory policy. Some of these changes are driven by state law, particularly in the electric industry. Over the past six years, the Department has devoted significant efforts to establishing structural conditions and economic policies that allow for the development of efficient competitive markets, wherever they are feasible.

Federal law and regulation are driving many of the changes in the energy and communications industries. In some cases, federal actions have reduced the discretion of the Department in important respects. To protect Massachusetts customers' interests, the Department has increased its involvement in the federal policy-making process, both individually and as an active participant in the New England Conference of Public Utility Commissioners and the National Association of Regulatory Utility Commissioners.

This report summarizes the responsibilities of the various staff divisions within the Department, provides details about the day-to-day functions of the agency and provides information about specific activities and accomplishments during 2003.

## Organizational Chart



## Electric Power Division

### Overview

The Electric Power Division's mission historically has been to ensure that Massachusetts electric companies provide their customers with the most reliable electric service at the lowest possible cost. Prior to the restructuring of the electric industry, this meant regulation of electric monopolies. Since the passage of the Electric Industry Restructuring Act in 1997 ("Restructuring Act"), the Electric Power Division's mission has evolved substantially. The Division's current mission is to ensure that (1) Massachusetts electric companies<sup>1</sup> provide their customers with distribution and customer service in a reliable and least-cost manner, and (2) retail competitive suppliers provide generation service to customers in a manner that is consistent with the Restructuring Act and the Department's regulations.

In addition to performing the Department's general oversight of electric companies, the Electric Power Division must:

- Grant licenses to qualified entities to serve as competitive suppliers and electricity brokers;
- Review electric company solicitations for default service supply;
- Monitor and assess electric outages, and oversee corrective actions;
- Review electric companies' service quality plans;
- Monitor wholesale market prices and the availability of long-term power supplies;
- Develop Department initiatives to assist the development of a competitive generation market for small customers;
- Participate in regional and national initiatives to further implement restructuring of the wholesale electric industry;
- Review annual transition cost reconciliation filings; and

---

<sup>1</sup> The electric distribution companies in Massachusetts are: Fitchburg Gas and Electric Light Company; Massachusetts Electric Company and Nantucket Electric Company; Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company ("NSTAR Electric"); and Western Massachusetts Electric Company.

- Evaluate the cost-effectiveness of electric companies' energy efficiency programs.

## **Background**

To better understand the Electric Power Division's mission, it is helpful to think of electric service as being comprised of four components: (1) generation service, associated with the power plants that create the electricity; (2) transmission service, associated with the wires and facilities that transport the electricity at high voltages from power plants to distribution substations; (3) distribution service, associated with the wires and facilities that transport the electricity at low voltages from distribution substations to customers' facilities and homes; and (4) customer service, including the provision of billing and metering services. Historically, the Massachusetts electric companies provided all of the electric service components to their customer on a bundled, monopoly basis (i.e., customers had no choice but to receive these services through their electric companies). The Department regulated the electric companies to ensure that they provided all of the service components on a reliable, least-cost basis.

In November 1997, the Massachusetts General Court passed the Restructuring Act, which introduced competition into the generation component of electric service. The Restructuring Act states that "long term rate reductions can be achieved most effectively by increasing competition and enabling broad customer choice in generation service, thereby allowing market forces to play the principal role in determining the suppliers of generation for all customers." Pursuant to the Restructuring Act, since March 1, 1998, customers have had the opportunity to choose entities other than their electric companies to provide the generation component of their electric service. Conversely, the other components of electric service (transmission, distribution and customer service), continue to be monopoly services that are provided by the Massachusetts electric companies and are fully regulated by the Department or, in the case of transmission, by the Federal Energy Regulatory Commission ("FERC"). Thus, at the present time, customers receive these non-generation services from their local electric distribution companies.

## **The Restructured Electric Industry**

The Restructuring Act establishes three generation service options that are available to customers: (1) standard offer service, a "rate-protected" transition service that electric distribution companies will provide through February 2005; (2) competitive generation service, provided by competitive suppliers; and (3) default service, a "last resort" service that also is provided by electric distribution companies. All customers receive the same level of distribution, transmission, and customer service, regardless of the option under which the customer is receiving generation service. However, the price that the customer pays for generation service is dependent on the type of service the customer is receiving.

## **Standard Offer Service**

The Restructuring Act establishes standard offer service as a transition generation service, available through February 2005, which each electric company is required to provide to those customers that were receiving electric service from the company as of March 1998. Standard offer rates for each electric company are set at levels that ensure that standard offer customers receive a 15 percent reduction in their electric bills, adjusted for inflation, relative to a summer 1997 reference level. With limited exceptions, a customer who switches to a competitive supplier is not eligible to return to standard offer service.

The statutory requirement that standard offer service customers receive a 15 percent bill reduction has resulted in standard offer rates from distribution companies that are often below the prices that competitive suppliers are able to offer (i.e., the standard offer rates are below-market). Thus, the majority of customers that are eligible to receive standard offer service have, to date, had little financial incentive to switch to a competing supplier. This is particularly true for residential and small business customers. Below-market standard offer rates present an impediment to the development of a robust competitive market for smaller customers, which may remain the case through February 2005.

## **Competitive Generation Service**

As stated above, the linchpin of the restructuring of the electric industry is the creation of a competitive market for generation services. Consistent with the Restructuring Act, the Department's goal is to provide electricity customers with the broadest possible choice of generation suppliers, in order to allow customers to share in the benefits of the competitive marketplace. To do so, the Department grants licenses to qualified entities to serve as competitive suppliers and electricity brokers in the restructured industry. Competitive suppliers are entities that purchase electric output from generators at the wholesale level, and sell the electricity to consumers at retail. Electricity brokers are entities that facilitate or arrange for the sale of electricity to customers, acting as "middlemen" between suppliers and customers. Staff from the Electric Power Division review license applications to determine whether the applicant has demonstrated, among other things, the financial and technical capability to provide the applicable services. As of December 31, 2003, there were 17 licensed competitive suppliers and 25 licensed electricity brokers in Massachusetts. These suppliers and brokers focus their activities primarily on large and medium-sized business customers.

The terms and conditions by which competitive suppliers offer products and services to customers, including prices, are determined by the competitive electricity marketplace. To assist customers in comparing the products that may be offered by various suppliers, the Restructuring Act requires each supplier to make available to customers information disclosure labels which describe, among others things, the

environmental characteristics of the power plants from which the supplier purchases the electrical output.

In order to assist in the development of the competitive market, the Department requires that each electric distribution company make available, to licensed suppliers and brokers, customer information lists that include, among other things, customer names, addresses, and historic consumption data (customers have option of having their information removed from the lists). This information should allow suppliers to market their products and services to customers more efficiently. In addition, the Department has established the manner by which supplier and brokers may obtain mandated customer authorization over the internet.

The Restructuring Act establishes special provisions for a municipality which seeks to aggregate the electrical load of customers located within its municipal boundary, for the purpose of allowing those customers access to competitive supply market. The Department has approved a municipal aggregation plan for the Cape Light Compact, which includes the towns located on Cape Cod. The Compact has succeeded in moving over 50,000 customers from default service to competitive supply.

### **Default Service**

Default service is the “last resort” generation service that each distribution company is required to make available to those customer who are not eligible for standard offer service and are not receiving generation service from a competitive supplier. Customers who move into an electric distribution company’s service territory after March 1, 1998, receive default service until they select a competitive supplier. Default service rates are market-based, as determined by competitive solicitations for default service supply for each electric distribution company undertakes. Staff from the Electric Power Division review each company’s solicitations to ensure consistency with the Department’s rules and regulations.

By its very nature as a generation service of last resort, the manner in which default service is made available to consumers could significantly affect the development of the competitive market. Because of the important role that default service plays in the restructured industry, the Department continued its investigation in 2003 into the manner in which distribution companies provide default service, to ensure that such provision is compatible with the development of an efficient competitive market for generation service. Pricing and Procurement of Default Service, D.T.E. 02-40.



## **Additional Electric Power Division Responsibilities**

### **Monitoring of Distribution System Reliability**

The Electric Power Division continually monitors the reliability of electric distribution systems. In the summer of 2001, Massachusetts residents experienced repeated record-breaking demand for electric power. These conditions led to numerous and prolonged distribution system power outages. To reduce future outages, the Department directed electric companies to: (1) examine the underlying causes of these outages, (2) diagnose any operational or physical problems in the distribution system, and (3) establish a plan to reduce or eliminate recurrences. As a result, the companies planned numerous upgrades to their facilities. The Electric Power Division monitors the implementation of these upgrades.

To improve the distribution companies' reliability planning procedures, the Department also directed electric companies to provide specific information on: (1) adequacy of employee staffing levels for operation and maintenance of the distribution system; (2) soundness of procedures to respond to outages; (3) employee training programs for service operation and restoration efforts; and (4) a benefit/cost assessment of a program of periodic inspections and associated preventive maintenance (over a specified cycle of years) for above-ground and underground distribution systems, to be conducted by a cadre of identified managers and other personnel.

The Department's Outage Reporting Protocol ("ORP") requires electric distribution companies to use an automated, electronic system to file and update reports of outages via the internet. The ORP provides data within 30 minutes on electricity outages that affect 500 or more customers (or 500 customer-hours), or affect a critical facility (hospital, school, public transit, etc.). Information contained in ORP filings includes: the areas impacted by an outage; number of customers affected; number of circuits; likely cause of the outage; any bodily injury; whether a critical facility is affected; whether the wires are overhead or underground; and contact information. The ORP helps both the Department and distribution companies monitor and assess outages so that corrective measures can be developed and implemented. When a distribution company plans an outage, it must notify the Department seven days in advance. Distribution companies submit reports analyzing all significant outages reported during the quarter.

### **Implementation of Service Quality Standards**

The Restructuring Act directed the Department to establish service quality standards that would require Massachusetts electric companies to maintain, at a minimum, their historic levels of service quality. The Restructuring Act includes a provision for penalties that companies will incur if they fail to meet their historic levels of service quality. The Electric Power Division assisted the Department in establishing

service performance measures for reliability (frequency and length of electric outages), safety, customer service and billing, customer satisfaction, and staffing levels. D.T.E. 99-84 (2001). Pursuant to the Department's directives, each electric company has an approved service quality plan. The Electric Power Division participates in the annual review of performance reports pursuant to the service quality plans. As a result of these reviews, some companies have paid substantial performance penalties, approaching a maximum of two percent of revenues, as specified in the Restructuring Act.

### **Monitoring of Wholesale Electricity Markets**

The electricity grid that serves customers in Massachusetts is part of an integrated New England-wide power grid, which is operated by the federally-regulated Independent System Operator, New England ("ISO-NE"). ISO-NE oversees the dispatch of generating plants and the operation of transmission assets in New England, in order to fulfill its primary responsibility of ensuring the minute-by-minute reliability of the regional grid. In 2003, the FERC announced its intention to "standardize" the rules by which regional power grids operate. Staff from the Electric Power Division have been actively involved in the FERC proceedings, to ensure that the interests of Massachusetts electricity customers are properly served. Electric Power Division staff also monitors wholesale market prices and the availability of long-term power supply to ensure that electric service continues to be available to customers in a reliable, affordable manner. This is particularly important to customers located in a "load pocket" like the metropolitan Boston area, which typically consumes more electricity than it generates.

### **Review of Transition ("Stranded") Cost Reconciliation Filings**

Transition costs are those generation-related costs incurred by Massachusetts electric companies prior to industry restructuring, which the companies are not able to recover from their customers because of the introduction of a competitive market for generation services. Said otherwise, transition costs represent the above-market, or uneconomic, portion of the companies' overall generation costs. The Restructuring Act allows electric companies to recover their transition costs, provided that the companies take all steps to mitigate these costs, including the divestiture of their generating units. Electric Power Division staff reviewed the divestiture filings submitted by each of the electric companies, to ensure that such divestiture fully mitigated each company's transition costs. Electric Power Division staff continue to review the annual transition cost reconciliation filings submitted by each company to ensure compliance with the Restructuring Act.

### **Evaluation of Energy Efficiency Programs**

The Department requires Massachusetts electric companies to implement energy efficiency programs. In 2003, companies installed energy efficiency equipment

projected to save customers about \$340 million over the useful life of that equipment. To fund their energy efficiency programs, the distribution companies may charge customers 0.25 cents per kilowatt-hour ("KWH") a rate specified in the Restructuring Act that will remain in effect through 2007. Staff from the Electric Power Division work closely with the Division of Energy Resources ("DOER") to monitor the programs; DOER oversees the programs' designs and budgets, while the Department reviews the programs to ensure their cost-effectiveness (i.e., that implementation of the programs will provide net benefits to customers).

### **2003 Electric Power Division Accomplishments**

The Electric Power division actively participated in the following major dockets in calendar year 2003:

- Outage Preparedness Task Force. The Electric Power Division investigated independently, and as part of the Governor's Task Force, the causes of the August 14, 2003 eastern electric interconnection outage and vulnerabilities for Massachusetts.
- Outage Reporting Protocol. The Electric Power Division revised the electric company outage reporting system to incorporate more accurate outage information for analytical purposes.
- Report to the Legislature on Double Poles, D.T.E. 03-87 (2003). Pursuant to a legislative requirement, the Department investigated and issued a report to the Legislature on the policies and practices of utility companies setting and removing double poles. The report recommended continued statewide oversight, did not recommend penalties at this time, and required utilities to submit plans to address the backlog of double poles.
- Distributed Generation, D.T.E. 02-38 (2003). The Department continued its investigation into "distributed generation" in Massachusetts. Distributed generation refers to generation facilities that connect directly to customers or to distribution lines, thereby alleviating the need for extensive transmission or distribution lines to deliver their power. In 2003, as a result of stakeholder collaboration, distributed generation interconnection standards designed to apply to all distribution companies were presented to the Department for review.
- Pricing and Procurement of Default Service, D.T.E. 02-40. As stated above, a competitive generation market has not yet developed for smaller customers. In 2003, the Department undertook several retail competitive market initiatives, including the ongoing investigation of default service pricing and procurement policies.

The Department revised the manner in which distribution companies procure supply for their default service customers, to ensure that such procurement is consistent with the standard market design (which includes a location-based pricing component) implemented by ISO-NE as of March 1, 2003. D.T.E. 02-40-A (2003).

The Department established procurement terms for default service supply. For small commercial and industrial and residential customers, for whom few competitive options currently exist, the Department directed each distribution company to procure 50 percent of its default service supply requirement semi-annually, for twelve-month terms, in order to strike an appropriate balance between market-based rates and protection against price volatility. D.T.E. 02-40-B (2003).

For medium and large commercial and industrial customers, for whom a broad range of competitive options exist, the Department directed each distribution company to procure its default service supply requirement on a quarterly basis (i.e., three-month procurement terms), to best ensure that default service rates are market-based and, thus, do not act as a barrier to the continued development of competitive alternatives for these customer classes. D.T.E. 02-40-C (2003).

- Default Service Costs, D.T.E. 03-88. In 2003, the Department opened an investigation to ensure that each distribution company includes all default service-related costs in its default service rates.
- Massachusetts Electric Company “Green Up” Proposal, D.T.E. 03-55 (2003). The Department approved Massachusetts Electric Company's “Green Up Program”, which allows its residential and small commercial and industrial standard offer service and default service customers to select a renewable resource (or “green”) product option.
- Cape Light Compact, D.T.E. 03-99 (2003). In 2003, the Department approved an extension of the municipal aggregation default service pilot program implemented by the Cape Light Compact. Through participation in the program, 52,000 customers on Cape Cod receive competitive electric power supply.
- Competitive Supplier/Broker Licensing. In 2003, the Department approved licenses for two competitive suppliers, five electricity brokers, and four “renewable resource” electricity brokers. There are currently 20 licensed competitive suppliers, 26 licensed electricity brokers, and four licensed “renewable resource” electricity brokers.

- Regional Transmission Organization. Pursuant to FERC initiative, the Electric Power Division participated in a year-long process of developing a regional transmission organization. The Department submitted substantive comments with the other New England Commissions. The Electric Power Division also participated in transmission company return on equity proceedings at the FERC.
- Standard Market Design. The Electric Power Division participated in ISO-NE development of a wholesale electric market standardization of market design, including the implementation of locational prices and day-ahead market schedules.
- Regional Transmission Planning Process. The Electric Power Division participated in the New England regional transmission planning process which included the identification of projects to improve the Northeast Massachusetts and downtown Boston reliability concerns as they relate to the proposed shutdown of North Shore and downtown Boston located generation facilities. Several Massachusetts projects were included in the final plan approved by the ISO-NE Board of Directors (RTEP03). The Electric Power Division also participated in the development of a regional transmission expansion cost allocation proposal, which was ultimately approved by the FERC in December 2003.

## Natural Gas Division

### Overview

The Natural Gas Division (“Gas Division”) provides technical support to the Department in the regulation of the state’s investor-owned natural gas companies (also called “local distribution companies” or “LDCs”).<sup>2</sup> In total, these companies serve approximately 1.4 million gas customers, and have combined operating revenues of approximately \$1.8 billion.

Over the last several years, the Gas Division has worked to promote competition in the local gas distribution industry through the “unbundling” of rates. The Gas Division has brought about regulatory changes that provide gas customers with opportunities to participate in a competitive gas market, while maintaining traditional consumer protections.

The Gas Division has the authority and the responsibility to:

- Review local gas distribution companies’ forecast-and-supply plans and long-term gas supply contracts;
- Review non-tariff contracts for the sale and transportation of natural gas;
- Review the appropriateness and accuracy of LDC filings made pursuant to the Cost of Gas Adjustment Clause and the Local Distribution Adjustment Clause;
- Review LDCs’ energy efficiency plans;
- Assist the Rates Division in base rate, merger, and financing filings;
- Review LDCs’ service quality filings;
- License gas suppliers and retail agents; and

---

<sup>2</sup> The LDCs in Massachusetts are: Bay State Gas Company, The Berkshire Gas Company, Blackstone Gas Company, Fitchburg Gas and Electric Light Company, KeySpan Energy Delivery New England (formerly Boston/Colonial/Essex Gas Company), New England Gas Company — Fall River Gas Service Area / North Attleboro Gas Service Area; and NSTAR Gas Company.

- Review and, where appropriate, intervene in federal regulatory proceedings and activities that affect the interests of gas consumers in the Commonwealth.

## **Natural Gas Division Responsibilities**

### **Review of Forecast and Supply Plans**

LDCs must submit a five-year Forecast and Supply Plan to the Department for approval every two years. In its review of the forecast component, the Gas Division determines whether the company has accurately projected the gas requirements of the company's service area. A forecast must reflect accurate and complete historical data and employ reasonable statistical projection methods. In its review of the supply plan, the Division must determine whether the plan is adequate to meet projected customer demand under a range of contingencies. During 2003, the Gas Division reviewed three forecast and supply plans.

### **Review of Long-Term Gas Supply Contracts**

LDCs must submit all supply contracts with terms longer than one year to the Department for review and approval. Long-term supply contracts include both gas commodity (the physical natural gas) and capacity (the pipeline required to transport the natural gas from the production areas to the LDC's distribution system). In evaluating a gas company's proposed contract for commodity or capacity, the Gas Division examines whether acquisition of the resource would be consistent with the public interest. To do so, the Gas Division determines whether the LDC has shown that the acquisition (1) would be consistent with the company's portfolio objectives, and (2) would compare favorably to the range of options reasonably available to the company and its customers. During 2003, the Gas Division reviewed nine long-term supply contracts.

### **Review of Non-Tariff Contracts**

Large commercial and industrial gas customers who are capable of burning alternative fuels, such as oil or coal, sometimes find that their gas companies' Department-approved tariffs are not competitive with their alternative fuel options. To retain these customers and assure a continued stream of revenue, LDCs may offer them non-tariff contracts, subject to Department approval. In its review, Gas Division staff ensure that (1) the customer is capable of burning an alternative fuel; (2) the price charged under the contract exceeds the marginal cost of providing this service; and (3) the company's existing ratepayers are not responsible for any of the costs associated with providing the specified service. In 2003, the Gas Division reviewed 22 non-tariff contracts.

## **Review of Requests for Cost Adjustments**

Department regulations allow gas companies to recover costs for several gas supply factors. For example, gas commodity, storage, and transportation costs typically fluctuate seasonally. Through semi-annual cost-of-gas adjustment filings, LDCs request billing changes that enable them to reconcile these fluctuations. The Gas Division reviews these filings to ensure accounting accuracy and prudent company practices, and approves adjustments to billings via the Cost of Gas Adjustment Factor. In 2001, the Department amended its regulations to allow gas companies to make interim filings for recovery of gas costs, when projected under- or over-collections exceed five percent. The Gas Division encourages gas companies to request these adjustments, to dampen the impact on customers' bills when there are significant changes in gas costs. During 2003, the Gas Division reviewed 38 requests for costs adjustments.

Similarly, Department regulations allow a gas company to recover, or credit on a reconciling basis, a variety of costs that have been determined to be distribution-related but were not included in base rates.<sup>3</sup> The charge used to recover all of these costs is referred to as the Local Distribution Adjustment Factor ("LDAF"). Examples of recoverable expenses include the costs of energy efficiency programs and costs related to the federal restructuring of the gas industry. LDCs can also recover costs associated with their federal- and state-mandated cleanup of past contamination at sites polluted by wastes from gas manufacturing plants. Although most gas manufacturing plants in Massachusetts ceased operations by the early 1950s, their wastes continue to present environmental hazards. The Gas Division reviews all company requests for adjustments via the LDAF to ensure accounting accuracy and prudent company practices. During 2003, the Gas Division reviewed 20 LDAF requests.

## **Review of Energy Efficiency Plans**

Since 1992, the Department has required gas distribution companies to develop energy efficiency plans that bring cost savings to consumers and reduce the overall need for gas. The companies's plans typically include weatherization service programs (offering energy audits, attic insulation, wall insulation, air sealing, and heating system repairs) and rebates for the installation of clock thermostats or for the replacement of boilers, furnaces, and water heaters with high-efficiency units. The gas companies must submit their energy efficiency plans to the Division, which reviews the proposed programs to ensure cost effectiveness. The companies can then recover energy efficiency-related costs via the LDAF. In 2003, the Division reviewed two energy efficiency plans.

---

<sup>3</sup> Base rates are designed to recover distribution-related costs (i.e., the costs to operate the LDC), including plant and equipment, labor, taxes, interest on borrowed funds, return on investment, billing, metering, and customer service.



## **Cooperation with the Rates Division**

The Gas Division works closely with the Rates Division to review various rate case filings and merger-and-acquisition petitions. In traditional rate cases, Gas Division staff are responsible for reviewing the terms and conditions of distribution service, the allocation of local production and storage costs, weather normalization, gas-related cash working capital, marginal costs, and the treatment of revenues from off-tariff contracts. As the gas industry makes the transition to a competitive supply environment, the Department will continue to require gas companies to provide least-cost distribution service, but this requirement will be implemented through performance-based regulation ("PBR"). PBR refers to the use of incentives and price caps as a means of setting utility rates – in contrast to traditional rate-of-return rate making, which is based on a company's cost of service. An important feature of PBR is a service quality program, which ensures that companies will not compromise service through insufficient expenditures on customer service activities. During 2003, the Gas Division participated in the Department's review of Boston Gas Company's PBR plan.

## **Review of Service Quality Filings**

In June 2001, the Department issued an order finalizing service quality ("SQ") standards for all gas and electric distribution companies. The order established performance measures for customer service, billing, customer satisfaction, staffing levels, safety, and reliability. Pursuant to this order, the LDCs filed company-specific service quality plans for Department review, which the Department approved in the spring of 2002. Each gas company filed a SQ report in March 2003 (and must file one every March), comparing its actual performance against the SQ standards established by the Department. The Gas Division is responsible for the review of all gas SQ plans to ensure that the companies maintain a minimum quality of service. During 2003, the Division reviewed ten SQ plans.

## **Licensing of Gas Suppliers and Retail Agents**

Massachusetts residential customers may choose a gas suppliers other than their LDC. This allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers. However, the price charged by these competitive suppliers for natural gas is not regulated. Instead, competitive gas suppliers set their own prices, just like the sellers of most goods and services in the marketplace.

Gas suppliers and retail agents who wish to sell natural gas to Massachusetts retail customers must be certified by the Department on an annual basis. The Gas Division reviews the applications for these licences and conducts interviews with the applicants. Staff determines whether the applicants have the technical ability to procure and deliver natural gas, and whether they are familiar with the Department's rules and the gas industry in general. The Division also evaluates documentation of the

applicants' financial capability, such as the level of capitalization or corporate backing, to provide the proposed services. In 2003, the Department reviewed 17 applications and approved seven gas suppliers and seven retail agents (three applications were rejected or withdrawn). Currently there are 13 gas suppliers and nine retail agents in the Commonwealth.

### **Participation in Federal Policy-Making**

Over the past decade, actions taken by the Federal Energy Regulatory Commission, the federal Department of Energy, and Congress have dramatically changed federal regulation of the natural gas industry. These changes directly affect the interests of Massachusetts customers who are served by federally regulated pipelines and liquefied natural gas import terminals. Division staff works with other state agencies and regional organizations to stay informed regarding current federal statutory and regulatory proposals, and to develop public positions on issues that may affect Commonwealth interests.

### **Public Information and Review of Consumer Complaints**

Gas Division staff provide information and assistance on a daily basis to consumers, marketers, regulated companies, consultants, financial analysts, and government officials. Moreover, Gas Division staff assist the Department's Consumer Division in addressing gas-related consumer issues.

### **Competitive Gas Supply and Unbundling Initiatives**

In the mid-1980s, FERC began to introduce more competition into the wholesale gas industry by allowing the customers of interstate gas pipelines, primarily LDCs and some large industrial consumers, to procure their gas supplies separately from the pipeline services that transport the gas. Previously, the pipeline companies "bundled" the price of the gas commodity and the transportation services together into one rate. To enable gas customers to now buy their gas from competing suppliers, FERC required all interstate pipelines to "unbundle" gas transportation from gas sales, and to offer the transportation component under a separate rate.

In Massachusetts, the Department determined that if the benefits of FERC's actions were to fully accrue to Massachusetts gas consumers, these consumers must similarly have the opportunity to purchase gas from sources other than an LDC. As a first step, the Department directed all Massachusetts LDCs to file gas transportation rates for their large customers; beginning in 1988, large gas customers in the Commonwealth began to purchase gas from suppliers other than LDCs. Since the early 1990s, the Department has been active in implementing new policies so that the benefits of the competition created by FERC could reach additional LDC customers. As a result, all LDCs in Massachusetts offered unbundled rates, allowing most of their

commercial and industrial customers to choose their own gas supplier at competitive commodity rates.

Moreover, the Department determined that the benefits of competition should be extended to all customers, including residential customers. The Department's ultimate objective throughout its unbundling efforts has been to provide the opportunity for the residential and smaller commercial and industrial users of natural gas to benefit from the prospective benefits of lower commodity prices while maintaining the traditional consumer protections that have been the hallmark of Department regulation. The separation of the sale of the gas commodity is necessary to provide customers with accurate price signals and the ability to choose and purchase gas supplies separately from distribution services. Since November of 2000, with the approval of the unbundling regulations and terms and conditions for gas transportation service, residential customers are able to choose their own gas supplier. This change allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers.

### **2003 Gas Division Accomplishments**

During 2003, the Gas Division reviewed:

- Nine long-term gas supply contracts.
- 22 non-tariff contracts for the sale and transportation of natural gas (firm service, quasi-firm service).
- 38 gas-cost-recovery filings pursuant to the Cost of Gas Adjustment Clause ("CGAC").
- 20 cost recovery filings pursuant to the Local Distribution Adjustment Clause ("LDAC").
- A petition by Keyspan Energy Delivery New England to change its gas procurement practices so as to mitigate price volatility.
- A petition by Bay State Gas Company to utilize various financial instruments and trading strategies to lower the overall commodity cost associated with procuring natural gas for its residential customers for an initial three-year period.
- Three forecast and supply plan filings.
- Two energy efficiency filings, as well as ten residential energy conservation service program filings.

- 17 applications for the licensing of gas suppliers and gas retail agents.

In addition to the activities described above, during 2003, Gas Division staff provided extensive support to the Rates Division in reviewing the petition by Boston Gas Company to change base rates and to implement a new PBR plan.

## **Rates and Revenue Requirements Division**

### **Overview**

The Rates and Revenue Requirements Division (“Rates Division”) is responsible for providing the technical expertise the Department needs to determine the appropriate levels of revenues, rates and charges for the seven investor-owned electric companies, nine investor-owned gas companies and twenty investor-owned water companies in the Commonwealth. The technical support provided by the Rates Division includes expertise in economics, finance, accounting, and public policy.

The Rates Division staff assists the Department's Legal Division in developing the evidentiary record in adjudicatory proceedings concerning the rates or finances of the public natural gas, electric, and water companies doing business in Massachusetts. The Department's decisions in these proceedings are directly appealable to the Supreme Judicial Court under G.L. c. 25, § 5.

The regulation of the natural gas, electric, and water industries requires the Rates Division to:

- Review electric utility restructuring-related filings including: reconciliation of standard offer service, default service, transmission, and transition costs and revenues; default service and standard offer service procurement and billing; securitization; and divestiture of generation assets and power contracts;
- Review requests to change base rates through either cost of service regulation or performance-based regulation (“PBR”);
- Review financing requests;
- Review service quality plans;
- Review mergers and acquisitions;
- Coordinate the assessment of electric and gas utilities;
- Review retail electric contracts;
- Review municipal streetlight purchase disputes;
- Provide information and assistance to the public, press, industry, and other government agencies.

## **Division Responsibilities**

### **Review of Electric Utility Restructuring-Related Filings**

As part of the continued implementation of the Restructuring Act, the Department annually conducts a reconciliation, or “true-up,” for each electric company. Under the Restructuring Act, each electric distribution company may collect non-mitigatable stranded or transition costs through a transition charge. The Rates Division evaluates the costs and revenues each electric distribution company proposes to reconcile through the transition charge. The Rates Division's analysis results in an Order that may require adjustments to the calculation of a company's transition charge in the following year. These adjustments are based on the Department's determination that a company has either over- or under-collected on its transition charge expenses.

The Rates Division also reviews filings by each of the electric distribution companies seeking to reconcile the costs of providing standard offer service, default service, and transmission service. The distribution companies are allowed dollar-for-dollar recovery for providing such services. The Rates Division must ensure that these rate changes comply with the rate reduction requirements of the Restructuring Act.

Pursuant to the Restructuring Act, the Rates Division also reviews the procurement of standard offer service and default service load by the electric distribution companies, and determines the price for these services. In addition, the Rates Division reviews proposals from the electric companies to securitize assets in order to obtain lower financing costs, divest generation assets and purchased power contracts, mitigate stranded costs, and resolve streetlight purchase disputes. In each of these cases, the Rates Division must ensure that the outcome conforms with the intent of the Restructuring Act and each company's restructuring plan.

### **Review of Requests To Change Base Rates**

The Rates Division follows general Department practices in reviewing rate cases which include: reviewing initial filings, participating in informal technical conferences, issuing information requests, drafting pre-hearing memoranda for the Commission, cross-examining company and intervenor witnesses during hearings, developing and discussing with the Commission various options for resolution of issues, and preparing draft Orders for Commission review.

Changes to base rates are based on either traditional cost of service regulation or PBR. Establishing rates under PBR requires a determination of cast-off rates (using traditional cost of service regulation), industry productivity factors, inflation factors, and service quality measures.

For water companies, the Department's standard procedure for reviewing rate cases is not usually cost-effective because the administrative costs of preparing and litigating a rate case for a small water company can equal or exceed the rate relief sought. To streamline the regulatory process, the Department has created a settlement intervention staff ("SIS") that independently reviews rate requests and conducts off-the-record negotiations with water company officials and intervenors. The SIS has no direct communication with the Commission regarding pending cases. SIS and the other parties on the case may submit a proposed rate settlement to the Commission. The Commission may either approve the settlement, return it to the settling parties with suggested modifications, or reject it with or without subsequent evidentiary hearings. To date, this process has saved the Department, water companies, and ratepayers considerable amounts of time, resources, and expenses.

### **Review of Financing Requests**

The Rates Division also is responsible for the review of financing cases. Financing cases relate to company proposals for the issuance of debt or equity securities. The primary focus in such cases is to carry out statutory mandates that require utilities to issue only those securities reasonably necessary for utility operations and to have sufficient net plant (i.e., undepreciated assets in rate base) to ensure sound securities.

### **Review of Service Quality Plans**

In 2001, the Department established service quality standards for all electric and gas utilities. Service Quality, D.T.E. 99-84. The Rates Division reviews annually the compliance filings made by the electric and gas companies in response to the Order to determine whether the electric and gas companies have met the service quality standards and, if not, the appropriate penalties to be assessed.

### **Review of Mergers and Acquisitions**

Pursuant to G.L. c. 164, § 96, the Rates Division reviews all merger and acquisition proposals that are filed with the Department to determine if they are in the best interest of ratepayers. The Rates Division analyzes: the proposal's effect on rates, service quality, net savings, and competition; the financial integrity of the post merger entity; the fairness in the distribution of resulting benefits between shareholders and ratepayers; and societal effects such as job loss and economic development. The Rates Division also analyzes alternatives to the merger.

### **Coordination of Annual Assessments**

Pursuant to G.L. c. 25, § 18, electric, gas and telecommunications companies that do business in Massachusetts are subject to an annual assessment on a

percentage of their intrastate revenues. The Rates Division is responsible for gathering the revenue figures for the electric and gas utilities.

### **Review of Retail Electric Contracts**

The Rates Division is responsible for the mandatory review of negotiated electric contracts between electric distribution companies and retail customers. Such contracts are evaluated to ensure consistency with Department standards. The onset of competition in the electric utility industry has reduced the need for electric contracts in recent years.

### **Review of Utility Accounting Matters**

Utility companies are required to maintain their books in accordance with Department regulation. At times, a question may arise as to the appropriate interpretation of the Department's accounting regulations to the facts of a particular situation. To maintain uniformity of accounting, utilities are required to submit these questions to the Department for consideration and decision. During 2003, Rates Division staff received and responded to a number of accounting questions from utilities, primarily from municipally operated systems and water companies.

### **Review of Municipal Depreciation Requests**

Pursuant to G.L. c. 164, § 57, municipal utilities are permitted to include in their rates an annual provision for depreciation expense equal to three percent of depreciable plant (plant less land and land rights), unless otherwise permitted by the Department. Because municipal utilities rely on depreciation funds as a source of funds for plant improvements and expansions without the need for resort to outside financing, municipal utilities may seek permission to increase their depreciation rate for a particular year. During 2003, the Rates Division evaluated and approved ten requests for increases in municipal depreciation rates.

### **Review of Consumer Complaints**

The Rates Division provides assistance to the Department's Consumer Division in the review of rate and billing disputes by residential customers. In addition, because billing disputes by commercial and industrial customers are not generally handled by the Consumer Division, the Rates Division has, at times, provided informal assistance in resolving these billing disputes, primarily through review and interpretation of the applicable tariffs.

### **Public Information**

Another important responsibility of the Rates Division is to provide timely and accurate information to the public regarding activities in the electric, gas, and water



industries. This task requires working with other regulatory agencies, consumer groups, public interest groups, power suppliers, and utility companies to help them understand Department regulations and policies. The Rates Division also assists in the development of agency regulations to address the changing circumstances in the utility industry such as electric industry restructuring, gas unbundling, and new financial accounting standards. The Rates Division also works with the Department's Consumer Division to respond to consumer complaints and to draft policy recommendations regarding consumer issues.

### **Precedent, Policies, and Practice**

The Department sets rates using cost-of-service pricing principles where electric, gas and water rates are based upon the cost to serve various classes of ratepayers. Under cost-of-service pricing, the Rates Division reviews the costs incurred by utility companies to determine the reasonableness of such costs and to determine whether they were prudently incurred. The categories of costs include company annual expenses, capital investments, and rates of return for shareholders (i.e., the return on equity). Appropriate annual expenses plus a return on undepreciated rate base (i.e., a return on net capital investment) make up the company's "cost of service" or the "revenue requirement" upon which rate structures must be based.

Once the company's cost of service has been determined, a rate structure must be established that affords the company a reasonable opportunity to earn its allowed rate of return while meeting other policy goals. Rate structure is the level and pattern of prices that customers are charged for the use of utility services. A customer class' rate structure is a function of the cost of serving that rate class and the design of rates calculated to cover that cost. The Department's policy goals for utility rate structure are economic efficiency, continuity, fairness, earnings stability, and simplicity.

In many cases, however, attaining all of the above-mentioned goals simultaneously is impracticable within a single rate proceeding because some goals can be achieved only to the detriment of other goals. For example, the immediate implementation of cost-based rates where each customer class pays its fair apportionment of the costs incurred to serve them could cause the rates of certain classes to increase substantially, violating the goal of rate continuity or the goal of having rate changes occur in a gradual fashion to avoid rate shock.

## 2003 Rates Division Accomplishments

The Rates Division actively participated in the following major dockets in calendar year 2003:

- NSTAR Pension and Post Retirement Other than Pension (PBOP) Reconciliation, D.T.E. 03-47 (2003).

The Department allowed Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company (together, "NSTAR") to reconcile and recover their actual PBOP costs, notwithstanding the pension and PBOP expenses subject to a four year voluntary rate freeze that extended through August 2003.

This approval avoided a write-off of NSTAR's prepaid pension expense and the additional minimum liability and, therefore, a charge against equity. The Department's decision avoided a potentially significant adverse impact on NSTAR's financial health and the rates charged to its customers.

- Boston Gas Company Rate Case, D.T.E. 03-40 (2003).

Boston Gas Company proposed to increase base rates (distribution rates) by \$65,452,215 or, on average, 34.6 percent of base distribution rates and, on average, 9.59 percent of total rates.

The Department approved an increase of \$23,799,928 or, on average, 9.45 percent of base distribution rates or 3.07 percent of total rates.

The Department also approved a ten-year PBR plan that allows annual increases at inflation less a productivity factor, thereby insuring that ratepayers will pay for base distribution at rates lower than inflation.

Finally, the Department approved a pension reconciliation mechanism that allows Boston Gas to reconcile and recover its actual pension and PBOP costs going forward.

- Service Quality Performance, D.T.E. 03-10 through D.T.E. 03-23 (2003).

The Department investigated the service performance of gas and electric distribution companies based on the performance standards prescribed in D.T.E. 99-84.

The Department determined that Massachusetts Electric Company and Nantucket Electric Company failed to meet several performance measures and were subject to penalties of approximately \$4.9 million and \$6,500, respectively.

- Low-Income "Lifeline" Investigation, D.T.E. 01-106 (2003).

This investigation streamlined the process to qualify low-income customers for discounted electric, and gas rates. The Department directed electric and gas distribution companies to transfer residential customer account information on a quarterly basis to an electronic matching program for the sole purpose of enrolling eligible customers in discount rate programs and provide presumptive enrollment with subsequent opt out notice to customers. The Department's investigation is ongoing; future issues include the appropriate ratemaking treatment of the program.

- Default Service Pricing and Procurement, D.T.E. 02-40-B (2003) and D.T.E. 02-40-C (2003).

To stimulate the development of a competitive market, the Department directed the electric distribution companies to change their default service procurement period for its largest customers from a six-month period to a three-month period. To more accurately reflect the true cost to serve industrial and medium and large commercial customers, the Department permitted default service zonal pricing.

- The Rates Division undertook review of the following financing cases:

Bay State Gas Company, D.T.E. 02-73 (2003)  
(\$50,000,000 long-term debt)

Southern Union Company, D.T.E. 03-03 (2003)  
(\$662,300,000 investment and \$300,000,000 common/preferred stock)

Western Massachusetts Electric Company, D.T.E. 02-49 (2003)  
(\$57,500,000 long-term debt)

Southern Union Company, D.T.E. 03-46 (2003)  
(4,500,000 stock dividend)

Southern Union Company, D.T.E. 03-64 (2003)  
(\$400,000,000 long-term debt)

Fitchburg Gas and Electric Light Company, D.T.E. 03-72 (2003)  
(\$10,000,000 long-term debt)

Southern Union Company, D.T.E. 03-75 (2003)  
(7,000,000 shares common stock)

Witches Brook Water Company, D.T.E. 03-81 (2003)  
(\$40,000 long-term debt)

## **Telecommunications Division**

### **Overview**

The Telecommunications Division provides technical support to the Commission in the regulation of the telecommunications industry in Massachusetts. The industry is made up of local exchange carriers, interexchange carriers, operator service companies, and pay-telephone companies. The mission of the Telecommunications Division is to ensure that telecommunication companies provide their customers with the most reliable telecommunications resources at the lowest possible cost.

The Telecommunications Division's major responsibilities are to:

- Review new registrations from companies seeking to provide telecommunications services in Massachusetts;
- Review individual tariff filings that would implement new service offerings or change the rates, terms or conditions of existing service offerings;
- Monitor the quality of service provided by the state's incumbent local exchange carrier, Verizon;
- Analyze major federal regulatory decisions to evaluate their impact on state regulation of the telecommunications industry;
- Enforce Department regulations and policies;
- Revise existing policies and develop new policies in response to new technologies and market conditions; and
- Explain Department regulations and policies to telecommunications companies, public officials, and consumers.

### **Regulatory Framework**

The breakup of AT&T in 1985 led to major changes in the telecommunications industry and how it is regulated. Rapid growth and evolution in the industry challenge the Department to maintain a level of oversight that effectively mitigates market power and promotes economic efficiency, while encouraging technological innovation and sensitivity to customer needs.

The Department has jurisdiction over telecommunications services that originate and terminate within or between each of Massachusetts' two federally-designated

“Local Access and Transport Areas.” (“LATAs”).<sup>4</sup> The Federal Communications Commission (“FCC”) regulates services provided between customers in different LATAs, as well as interstate and international services.

### **Retail Services**

Following the breakup of AT&T, the Department classified both AT&T and New England Telephone (now Verizon) as “dominant” carriers with market power, subject to traditional ratemaking standards for ensuring that prices are just and reasonable. It has classified all other carriers that have since entered the market as “non-dominant,” signifying that competitive pressures are sufficient to ensure that their rates are just and reasonable. Over the years, the Department has allowed AT&T and Verizon to reclassify some of their services as “sufficiently competitive” to warrant the same treatment for those particular services as is applied to non-dominant carriers. In 1996, the Department reclassified AT&T as a non-dominant carrier for all the services it offers.

To reduce barriers to market entry and encourage competition for telecommunications service in Massachusetts, the Department has streamlined its registration procedures for companies wishing to do business as carriers here. Previously, the Department conducted an investigation into the financial, managerial, and technical ability of a carrier to offer service. The Department now permits carriers to offer service based simply on the submission of a Statement of Business Operations and a tariff. By streamlining the entry process, the Department has freed resources and staff time for other responsibilities.

### **Wholesale Services**

Apart from building their own facilities to serve customers, carriers who wish to compete in the retail telecommunications market have two modes of entry availability to them. One of these is to lease unbundled network elements from the “incumbent” local exchange carrier<sup>5</sup> (Verizon) and provide service over this leased network. The Department has authority over Verizon’s wholesale provision of unbundled network elements, ensures that they are provided in a non-discriminatory manner, and regulates the rates at which they are leased.

In 2003, the Department established new rates for Verizon’s wholesale unbundled network elements and interconnection. The Telecommunications Division

---

<sup>4</sup> The Western Massachusetts LATA consists of the 413 area code; all other area codes in the state fall under the Eastern Massachusetts LATA.

<sup>5</sup> The “incumbent” local exchange carrier is the entity that owned the network prior to the introduction of competition.

developed these rates by applying an FCC cost standard, known as Total Element, Long-Run, Incremental Cost (“TELRIC”), which calculates the cost for an efficient carrier to provide unbundled network elements and interconnection in a competitive wholesale market. The Department’s comprehensive 18-month investigation was the second review of TELRIC-based rates for Verizon.

The other way a carrier can enter the market is to purchase a service from another carrier at a predetermined wholesale discount rate, then brand the service with their own name and resell it. The Telecommunications Division develops the wholesale discount rate, pursuant to FCC methodology.

### **Payphone Providers**

Many companies in addition to Verizon own and operate payphones in Massachusetts. In a 1986 Order, the Department held that all payphones must have labels clearly identifying the owner/operator of the phone, and must provide free access to 911 and directory assistance. The Department ensures that Verizon provides the lines necessary to provide payphone service on a non-discriminatory basis to all companies seeking to offer the service.

## **Division Responsibilities**

### **Review of New Registrations**

Telecommunications carriers wishing to do business in Massachusetts must file a Statement of Business Operations and a tariff. The statement includes a general description of the services to be offered by the carrier, contact information for customers who need to reach the carrier with questions or complaints, and a statement that the company has made all appropriate federal and state income tax filings and paid all income taxes.

### **Review of Original and Amended Tariff Filings**

The Telecommunications Division reviews approximately 60 tariff filings in an average month, including new tariffs and amendments to existing tariffs. Competitive carriers are free to determine prices and service offerings based on what the market will bear. The Telecommunications Division reviews competitive carriers’ tariffs to make sure they do not contain any terms or provisions that are in violation of Department policy (e.g., a carrier cannot offer service on the condition that a customer agrees not to contest any charges), but otherwise generally allows new tariffs to become effective as filed. Because Verizon is the incumbent local exchange carrier, its tariffs receive greater scrutiny than those of competitive local exchange carriers. The Telecommunications Division reviews Verizon’s tariffs to ensure that its prices are just and reasonable.

## **Monitoring of Verizon's Service Quality**

Since the passage of the Telecommunications Act of 1996, the Massachusetts telecommunications market has experienced competitive growth in all sectors, including residential and business, urban and rural. In 1995, the Department adopted a Service Quality Plan for Verizon, consisting of twelve service measures in the categories of Installation Service, Maintenance Service, and Service Response. Verizon reports its performance on each of the measures to the Department on a monthly basis. If Verizon's performance falls below the Department's threshold, Verizon pays a penalty in the form of a refund to the ratepayers. By continuing to monitor Verizon's quality of service, the Department ensures that Verizon allocates sufficient resources for the maintenance of quality basic service to all customers, regardless of the level of competition the company faces in a particular market.

## **Analysis and Implementation of Major Federal Regulatory Changes**

Decisions of the FCC, Congress, and state and federal courts affect the structure of the telecommunications industry and the Department's authority to regulate intrastate telecommunications services. Telecommunications Division staff monitor large volumes of relevant case law from other agencies and jurisdictions to keep abreast of major issues that may influence the provision of telecommunications services within Massachusetts. For example, the FCC currently is being urged to classify certain advanced services, such as broadband internet access, as telecommunications services, which may result in an expansion of the Department's jurisdiction and responsibilities. In addition, the responsibility of incumbent local exchange carriers to make portions of their networks available for purchase on a wholesale basis continues to be litigated in the courts and at the FCC; the outcome of this litigation will have an impact on the development and sustainability of local competition in Massachusetts.

## **Enforcement**

The Telecommunications Division enforces a wide variety of laws, regulations, and policies. The Telecommunications Division also enforces the state law requiring local exchange carriers with more than 1,000 customers to provide adaptive equipment to disabled customers. The Department's methods for ensuring compliance include mass mailings notifying the industry of Department rules and regulations; issuing Notices of Probable Violation; opening investigations; and issuing Orders to cease and desist.

## **Development of Policies to Address New Technologies and Market Conditions**

The evolution of the telecommunications industry within Massachusetts has resulted in many new telecommunications service providers and a plethora of new service offerings. Because of the volatility of the telecommunications industry, the



Telecommunications Division analyzes new technologies and market developments in order to determine their impact on consumers.

### **Education and Public Information**

The Telecommunications Division devotes substantial staff time to explaining the Department's regulations and policies to potential and existing providers of telecommunications services. Staff also responds to consumer inquiries or refers consumers to the Consumer Division for additional assistance. From time to time, the Department requires telecommunications carriers to develop customer education materials explaining major changes in the provision of services; the Telecommunications Division reviews these materials for technical accuracy.

### **2003 Telecommunications Division Accomplishments**

- Triennial Review, D.T.E. 03-59/03-60 (2003).

The Department opened an investigation into the implementation of the FCC Triennial Review Order, which established new standards governing the availability of wholesale network elements. The Department's investigation came to an abrupt halt in April 2004 when the D.C. Circuit vacated many key portions of the FCC's Order. The D.C. Circuit's vacatur created considerable uncertainty in the industry, and the Department has acted to ensure that Massachusetts consumers do not experience any disruption of service as a result. The FCC is drafting new interim rules, and the Department will implement the new rules as soon as they are issued.

- Alternative Regulation, D.T.E. 01-31 (2003).

In 2003, the Department completed an investigation into an alternative regulatory plan for Verizon's retail rates, and approved a plan which permits market-based pricing for most business services and some residential services. As the competitive telecommunications market has grown, the Department's role has evolved from pure rate-setting to facilitating wholesale and retail competition, and the alternative regulatory plan adopted for Verizon is a step in that evolution.

- Double Poles, D.T.E. 03-87 (2003).

The Department opened an investigation into plans for the reduction of double poles in Massachusetts pursuant to Chapter 46 of the Acts of 2003, Section 110. The Department submitted a Report to the Legislature on November 28, 2003, and continues to monitor pole owners' progress in reducing the double pole backlog.

- UNE Rates, D.T.E. 01-20 (2003).

The Department completed a multi-year proceeding establishing new wholesale rates for the services Verizon provides to other telecommunications carriers. The Department developed a set of rates designed to ensure fair compensation to Verizon while also ensuring that competing carriers have access to the facilities they need at a price low enough to allow them to economically serve new customers. These new rates are crucial to the continued vibrancy of the competitive telecommunications market in Massachusetts.

- E-911/Disabilities Access Surcharge, D.T.E. 03-24/03-63 (2003).

By the end of 2002, the E-911/Disabilities Access Fund had accumulated a \$40 million deficit, and the continued availability of E-911 and telecommunications access for the disabled (i.e., relay service for the deaf) was threatened. The Legislature enacted a statute authorizing a monthly line-item surcharge to replace the deficit-laden funding stream for E-911/Disabilities Access, and the Department adopted a set of regulations governing the functioning of the surcharge. The Department also launched an investigation into the program costs in order to ensure that the surcharge recovers enough to fund the programs but not so much as to create a surplus and pose an unnecessary burden to the ratepayers. While the surcharge has been set at an initial level of \$0.85, the Department's investigation into the proper amount of the surcharge continues.

## **Cable Television Division**

### **Overview**

In 1971, the Legislature established the Massachusetts Community Antenna Television Commission "to authorize. . . the installation of community antenna television systems in cities and towns of the [C]ommonwealth and to provide for the regulation thereof by such cities and towns and the [C]ommonwealth. . . ." In the 30 years since the Legislature issued this grant of authority, what began as a service designed mainly to deliver off-the-air broadcast signals to rural and mountainous areas has become an \$800 million industry in Massachusetts. While some households still rely on antenna reception, the principal alternative to cable television has been satellite television. In recent years, cable operators have altered service structures to compete more successfully not only with satellite providers, but with new technologies and new entrants to the marketplace, such as competitive overbuilders and municipally-owned companies. To this end, cable operators have begun a move toward offering bundled services, such as cable television, telephone, and cable modems. In recognition of the convergence of industries, the Legislature merged the Massachusetts Community Antenna Television Commission into the Department as the Cable Television Division ("Cable Division") in 1997.

Cable television continues to be regulated on the local, state, and federal level. Under its enabling legislation, G.L. c. 166A, and implementing regulations at 207 C.M.R. § 1.00 et seq., the Cable Division:

- Oversees cable television franchising, franchise renewal, and the transfer of cable franchises in the Commonwealth;
- Establishes basic service tier programming and equipment rates for communities in Massachusetts that have requested rate regulation; and
- Enforces consumer protection standards.

The Cable Division currently oversees eleven cable television operators serving over two million cable subscribers in 308 of the Commonwealth's 351 cities and towns. While the Cable Division does not regulate cable modems, broadband telecommunications has become an important part of the cable industry and, as such, broadband has raised new issues for cable regulators, such as whether it is appropriate to calculate franchise fees on cable modem fees and the appropriate ways to manage combined billings.

## **Division Responsibilities**

### **Oversight of Municipal Cable Franchising**

In Massachusetts, local municipalities act as the issuing authorities and negotiate and grant cable licenses, while the Cable Division retains ultimate authority in licensing matters. The Cable Division conducts an extensive educational program for communities involved in the licensing process, regarding applicable substantive and procedural requirements at the local, state, and federal levels. When licensing disputes arise at the local level, the Cable Division serves as the appellate body.

### **Rate Regulation**

In October 1992, Congress passed the Cable Television Consumer Protection and Competition Act, which provided for the regulation of cable television rates. Pursuant to this Act and G.L. c. 166A, the Cable Division regulates subscribers' rates for basic service tier programming, installation, and equipment in those Massachusetts communities that (1) have requested rate regulation and (2) do not have effective competition from a second cable operator, as determined by the FCC. The Cable Division reviews the proposed rates to determine whether such rates are just and reasonable and in compliance with applicable federal law.

In 2003, the Cable Division reviewed basic service tier programming, installation, and equipment rates for the majority of Massachusetts communities. The Cable Division issued six rate orders, affecting the rates in 281 municipalities. As cable operators consolidate operations and establish uniform channel lineups for all franchises, the Cable Division anticipates that operators will move to more uniform pricing of services, causing an influx of rate restructuring proposals.

### **Consumer Protection and Education**

The Cable Division, together with the Department's Consumer Division, investigates and resolves individual consumer complaints, either by informal negotiation between the consumer and the cable operator or by formal adjudicatory proceedings. The Cable Division also tracks patterns of complaints in order to identify and resolve more widespread problems.

The Cable Division has adopted regulations designed to afford cable subscribers consumer protections, particularly with respect to billing and termination of service. The Cable Division requires each cable operator to make annual filings to ensure compliance with these consumer protection regulations. Through dedicated telephone lines, published consumer information, fact sheets, and a consumer-friendly website, the Cable Division serves as a source of information for consumers seeking to understand the options available to them, particularly as competition and consolidation of cable operators increases across the Commonwealth.

## 2003 Cable Television Division Highlights

A list of all Cable Division Orders issued during 2003 is attached as Appendix 2. The Cable Division participated in the following major dockets in calendar year 2003:

- Practical Guide to Rate Regulation.

In 2003, the Cable Division developed the "Practical Guide to Rate Regulation." The guide was issued to all Massachusetts communities eligible for rate regulation, cable operators serving Massachusetts communities, and interested persons in an effort to ensure fair and efficient rate proceedings. The Cable Division has received positive responses to the guide from both municipalities and cable operators.

- Notice of Inquiry Regarding Form 100, CTV 03-3.

The Cable Division opened a Notice of Inquiry regarding revision to the Form 100, the license application form required under G.L. c. 166A. At the request of several municipalities, the Cable Division extended this proceeding to allow the municipalities additional time to submit proposals. The Cable Division expects to complete the revisions to the license application form by fourth quarter 2004.

- Transfer of Cable System Review.

The Cable Division issued final Orders in adjudications involving denials by eleven municipalities of the transfer of cable systems by AT&T Broadband and Comcast Cable Communications, Inc. The Cable Division found all denials to be arbitrary and unreasonable because the denials were based on considerations beyond those allowed under federal law.

- Basic Tier Programming and Equipment Rates.

The Cable Division reviewed basic service tier programming and equipment rates for the majority of Massachusetts communities in 2003 and issued rate orders resulting in refunds or credits to Massachusetts subscribers of over one-half million dollars.

## **Energy Facilities Siting Board and Department Siting Division**

### **Overview**

The Energy Facilities Siting Board (“Siting Board”) is a nine-member review board charged with ensuring “a reliable energy supply for the Commonwealth with a minimum impact on the environment at the lowest possible cost.” The Siting Board’s primary function is to license the construction of major energy infrastructure in Massachusetts, including large power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. The Siting Board also has the authority to remove regulatory obstacles to the construction of energy infrastructure by issuing, or altering the terms of, other state and local permits.

Administratively, the Siting Board is located within the Department, but is not subject to Department supervision or control. The Siting Board is comprised of three commissioners of the Department, in addition to the Secretary of Environmental Affairs, the Director of Economic Development, the Commissioner of the DOER, and three public members who are appointed to three-year terms by the Governor. The Board is staffed by members of the Department’s Siting Division.

Siting Division responsibilities to the Siting Board and to the Department require its staff to:

- Review petitions to construct major energy infrastructure;
- Hear requests for override of local permits, licenses, or other requirements;
- Represent the Commonwealth in proceedings before the FERC;
- Enforce orders of the Siting Board;
- Hear requests for zoning exemptions; and
- Adjudicate petitions for eminent domain and survey access.

### **Siting Board Responsibilities**

#### **Siting Proposal Review**

The Siting Board reviews petitions to construct major energy infrastructure, including power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. Siting Board review is conducted by means of a formal adjudicatory proceeding in accordance with G.L. c. 30A. Final decisions of the Siting Board are appealable directly to the Massachusetts Supreme Judicial Court.

The Siting Board's review of most types of energy infrastructure encompasses the need for the facility, alternative means of meeting that need, alternative sites, and environmental impacts and cost; however, due in part to the Restructuring Act, the Siting Board's review of power plants generally is limited to potential environmental impacts. The Siting Board's environmental review covers a broad range of issues, including noise, land use, health, and visual impacts; air quality; water resources; and the costs of mitigating environmental impacts. Siting Board decisions typically represent a balancing of local and regional environmental impacts and the benefits of the project in terms of contributing to a reliable energy supply.

Between 1996 and 2000, the Siting Board reviewed and approved thirteen petitions to build or expand power plants in Massachusetts. Eight of these projects ultimately were completed. Each plant was required to mitigate its environmental impacts, where it has been shown cost-effective to do so.

In recent years, the Siting Board's caseload has shifted from reviews of power plant proposals to reviews of proposed natural gas pipelines and electric transmission lines, including those needed to support the new power plants and the regional transmission grid. For example, in 2003, the Siting Board approved the construction of a natural gas pipeline in the towns of Bourne, Sandwich and Falmouth, designed to improve the reliability of natural gas service in the lower Cape. The Siting Board also devoted considerable resources to EFSB 02-2, its review of the proposal by Cape Wind Associates to construct a transmission line from Barnstable into Nantucket Sound to interconnect Cape Wind's proposed wind farm in Nantucket Sound. While the Siting Board has no jurisdiction over the wind farm, which lies in federal waters, it does have jurisdiction over those portions of the transmission line that are either on land, or within state waters. At the close of 2003, the transmission line review was ongoing.

### **Certificate of Environmental Impact and Public Interest**

The Siting Board has the authority to remove obstacles to the construction of certain energy facilities through the granting of a Certificate of Environmental Impact and Public Interest (or Public Need). The Certificate takes the form of the state or local permit, license or other approval required for construction of the facility. By granting the Certificate, the Siting Board releases the facility from any state or local permit requirement, license, or other "burdensome condition or limitation" that would unduly delay or prevent construction of an energy facility approved by the Board. A facility developer may also apply for a Certificate if it believes there are inconsistencies among resource use permits issued by state or local agencies. The Siting Board did not exercise this authority in 2003.

## **Federal Activities**

The Siting Board represents the Commonwealth in proceedings before the FERC concerning the construction of energy facilities in Massachusetts. For example, the Siting Board typically intervenes when interstate natural gas pipeline companies petition the FERC to construct major gas pipelines in the Commonwealth. In 2003, the Siting Board participated in FERC's review of the proposed Weaver's Cove LNG Import Terminal, to be located in Fall River, and of El Paso's proposed Tewksbury/Andover Lateral, which would provide natural gas service to Bay State Gas Company and Wyeth Pharmaceuticals.

## **Enforcement**

The Siting Board is authorized to levy a civil penalty when an applicant has violated any order of the Board. The maximum fine is \$1000 per day per violation, with a maximum civil penalty of \$200,000 for any related series of violations. In 2003, the Siting Board fined Exelon Fore River \$3000 for a variety of construction noise violations at the site of its Fore River power plant in Weymouth.

## **Siting Division Responsibilities**

The Siting Division, comprised of attorneys and technical analysts, performs the staff work for the Siting Board activities described above. In addition, the Siting Division handles a variety of land use cases for the Department, including petitions for zoning exemptions, for authority to exercise eminent domain, and for permission to construct certain transmission lines that do not fall under Siting Board jurisdiction.

## **Zoning Exemptions**

State law authorizes the Department to exempt public service corporations from compliance with specific municipal zoning ordinances or by-laws if it determines that the present or proposed use of the land or structure is reasonably necessary for the convenience or welfare of the public. The Department may hear these cases or refer them to the Siting Board for review. In 2003, the Department granted a zoning exemption to Commonwealth Electric Company for the purpose of constructing an electric substation in Barnstable.

## **Eminent Domain and Survey Access**

On behalf of the Department, the Siting Division adjudicates petitions by electric, natural gas, and water companies for the right to exercise the power of eminent domain to meet their public service obligations. To grant eminent domain, the Department must determine that the property is necessary for the stated purpose, will serve the public convenience, and is consistent with the public interest. The Siting Division also administers the Department's authority to grant electric, natural gas, and water



companies permission to enter private lands for the purpose of making a survey preliminary to eminent domain proceedings.

## **Precedent, Policies and Practices**

### **Responses to the Restructuring Act**

The Restructuring Act amended the Siting Board's review of proposed generating facilities by reducing its scope to include "only the environmental impacts of generating facilities, consistent with the commonwealth's policy of allowing market forces to determine the need for and cost of such facilities." This change explicitly eliminated from the Board's review issues it had previously considered when evaluating generating facilities: the need for the facility and alternative sites. In addition, if developers could demonstrate that the emissions from their proposed facilities would be low enough, the Act exempted the facilities from a review of alternative (i.e., less polluting) technologies.

In response to the Restructuring Act, the Siting Board developed a technology performance standard for air emissions from generating facilities, revised its standards of review for generating facilities, and conducted an inquiry concerning the Siting Board's review of generating facility viability.

### **CO<sub>2</sub> Policy**

Since 1991, the Siting Board has required developers of new generating facilities to mitigate the emission of carbon dioxide ("CO<sub>2</sub>") from their plants. Currently, the Siting Board requires developers to contribute \$1.50 per ton for one percent of a plant's CO<sub>2</sub> emissions to cost-effective CO<sub>2</sub> mitigation programs to be selected through consultation between the developer and Siting Board staff. This approach is intended to promote a broad range of mitigation activities, such as landfill gas recovery or energy efficiency, in addition to tree-planting. Developers may also make their contributions to the Climate Trust, a national organization that funds projects that reduce greenhouse gas emissions. As of the end of 2003, the Siting Board has approved CO<sub>2</sub> mitigation programs with a total value of nearly \$2 million.

### **Ongoing Regulatory Revisions**

The Siting Board recently has initiated a complete overhaul of its regulations to reflect the enactment of the merger legislation in 1992, the enactment of the Restructuring Act, and other changes in the energy industry since the creation of the Siting Board in the late 1970s. Consistent with the directives of Executive Order 384, the Siting Board also has sought to simplify the language of its regulations and make them more accessible to the lay reader.

During the 2003, the Siting Board opened rulemakings to promulgate the following new sections within 980 C.M.R.:

15.00 Petitions to Construct Natural Gas Pipeline Facilities; and

17.00 Energy Facilities Siting Board Participation in Federal Energy Regulatory Commission Proceedings Associated with Natural Gas Projects in Massachusetts.

When complete, these rules will supercede outdated portions of 980 C.M.R. § 7.00: Long Range Forecasts and Supplements.

## **Pipeline Engineering and Safety Division**

### **Overview**

The Pipeline Engineering and Safety Division (“Pipeline Safety Division”) is responsible for technical and safety oversight of eight natural gas companies and four municipal gas departments in Massachusetts. The Pipeline Safety Division is a certified agent of the U.S. Department of Transportation (“US DOT”) and enforces federal regulations pertaining to natural gas distribution pipelines within the Commonwealth. The Pipeline Safety Division also enforces the Department’s own comprehensive gas safety regulations and the state’s “Dig-Safe” law.

The Pipeline Safety Division’s authority over technical and safety issues requires it to:

- Inspect gas facilities for compliance with federal and state design, construction, operating, maintenance, emergency and plant security regulations; and enforce such regulations;
- Investigate and determine the cause of gas-related accidents and make recommendations to minimize recurrences;
- Develop regulations applicable to the gas industry to enhance public safety;
- Enforce the Dig-Safe Law by investigating alleged violations and assessing fines;
- Inspect and test gas meters for accuracy and safety before the meters are installed at consumers’ premises;
- Resolve consumer complaints regarding the accuracy of gas and electric meters by field tests; and
- Ensure that utility operators restore the streets and roads after excavating in the public way.

### **Pipeline Safety Division Responsibilities**

Natural gas and propane are considered hazardous fuels by both the state and the federal government. Massachusetts has 19,000 miles of gas main, 20 liquefied natural gas (“LNG”) plants, and 24 propane plants. These facilities serve over 1.4 million customers.

To protect consumers and the general public from the potential hazards involved in the transmission, distribution, production, storage and use of natural gas and propane, both the US DOT and the Department regulate these facilities. In addition to enforcing the Department's regulations, the Pipeline Safety Division acts as an agent for the US DOT in the enforcement of federal regulations. The Pipeline Safety Division inspects natural gas distribution pipeline facilities within the Commonwealth, investigates incidents, and imposes remedial actions (including civil penalties) when a natural gas operator is found to be negligent.

### **Gas Facility Inspections**

The Pipeline Safety Division's engineers inspect gas facilities (pipelines, meter stations, regulator stations, dispatch centers, LNG plants, and propane-air plants) for compliance with federal and state safety regulations. If an apparent violation exists, a Notice of Probable Violation or Warning Letter is issued to the alleged violator along with a Consent Order. The Consent Order includes action(s) to be taken by the alleged violator to correct the violation and a fine. The alleged violator can agree to the Consent Order and settle the case or ask for an informal review conference with Pipeline Safety Division staff. A company found to be in violation may request an adjudicatory hearing before the Department if it disputes the informal review decision.

In 2003, the Legislature increased the fines for violation of federal and state safety regulations to \$50,000 per violation for each day the violation persists, up to a maximum of \$1,000,000 for any related series of violations.<sup>6</sup> During 2003, the Pipeline Safety Division conducted 628 inspections and found 43 violations. A total of \$252,000 in fines were levied and \$107,000 in fines were collected. The fines are deposited into the General Fund of the Commonwealth.

### **Intrastate Transmission Pipelines**

There are 54.3 miles of intrastate gas transmission lines in Massachusetts. The increased use of natural gas to generate electricity has resulted in the construction of new intrastate pipelines to connect power plants directly to interstate gas transmission lines. As intrastate facilities, these pipelines fall under the aegis of the Pipeline Safety Division, whose engineers inspect their design, construction, operation, and maintenance. Some of these new lines are owned and operated by the power plant operator instead of the traditional gas distribution companies. Such pipelines typically operate at pressures significantly higher than local gas distribution pressures.

---

<sup>6</sup> See St. 2003, c.140, §§ 38,39, amending G.L. c. 164, § 105A.

## **Investigation of Natural Gas Incidents**

When a gas-related incident occurs, such as a fire or explosion, the Pipeline Safety Division's engineers investigate to determine its cause, to determine whether the pipeline operator was in violation of any safety regulations, and to make recommendations to the Commission for preventing or minimizing a recurrence of such incidents in the future. During 2003, the Division investigated three gas-related incidents.

## **Homeland Security- Intrastate LNG Facilities**

Security of pipeline facilities has become a major issue since the September 11<sup>th</sup> terrorist attacks. Natural gas pipelines and their associated facilities are vital to the Massachusetts economy. In 2003, the Pipeline Safety Division continued to inspect high-profile facilities such as LNG and liquid petroleum gas plants, gate stations, and dispatch centers, and worked with gas companies and other government officials to ensure that extra security precautions have been taken to protect gas pipeline facilities and the public.

## **Dig-Safe Law Enforcement**

Massachusetts' Dig-Safe law requires any person who proposes to excavate in public or private land to pre-mark the excavation site and to notify the Dig-Safe Center of his intent to excavate. The Dig-Safe Center then contacts all operators of underground gas pipelines and electric, telecommunication and television cables in the excavation locale. These operators, in turn, must mark the locations of their facilities in advance of the excavation to minimize the risk of potential damage by the excavator. Lastly, the excavator must take adequate precautions to prevent damage to the facilities while digging.

Any person aware of possible violations of Dig-Safe procedures may report them to the Pipeline Safety Division; utility operators are mandated by regulation to report possible Dig-Safe violations. The Pipeline Safety Division investigates the reports, issues Notices of Probable Violation ("NOPV"), conducts informal review conferences with the respondents and operators of the facilities, and performs field inspections, as necessary. The Pipeline Safety Division then issues findings and may assess a civil penalty. If the Pipeline Safety Division's decision is disputed, a Legal Division Hearing Officer will conduct a formal adjudicatory hearing. In 2003, the Pipeline Safety Division received 1,202 reports of possible Dig-Safe violations. After investigating these reports, the Pipeline Safety Division issued 678 NOPVs and levied \$123,350 in fines.

## **Gas Meter Testing**

State law requires that each gas meter be tested by the Pipeline Safety Division for volumetric accuracy and for leakage once every seven years, or when the meter is removed from service. Gas companies or municipal gas departments (“operators”) typically remove meters to be tested and replace them with previously approved meters. Operators then deliver meters to their meter shop where one of the Division’s compliance officers tests them to ensure that they are not leaking and that the consumer is getting the correct amount of gas. The Division collected \$1,082,940 in meter testing fees in 2003.

## **Consumer Metering Complaints**

The Pipeline Safety Division assists the Department’s Consumer Division in addressing complaints by customers pertaining to both gas and electric metering. In the case of an electric meter, the Pipeline Safety Division witnesses a test of the “complaint” meter in the field to determine its accuracy. For gas meters, the suspect meter is removed and tested at the operator’s premises by a Division compliance officer.

## **Preservation of the Public Way**

In response to complaints from municipalities and industry about the lack of repairs made to public roads after utility work was completed, the Department promulgated street restoration standards in 1998. The regulations set standards for soil compaction, paving and other activities affecting road condition.

## **Partnership with Industry**

US DOT regulations require that gas utility operating personnel be qualified by training and experience. These qualifications must be demonstrated by testing and work history. The Pipeline Safety Division worked with the New England Gas Association (“NEGA”) and industry to develop a model operator qualification (“OQ”) program. Most of the natural gas operators in Massachusetts and the rest of New England now use this program to comply with OQ rules. The Gas Technology Institute is developing a national program based on the NEGA’s training program.

In other areas of cooperation, the Pipeline Safety Division has worked with other regulators in the other five New England states and NEGA to develop qualification procedures for welders of steel pipelines and fusers of plastic pipeline. This effort resulted in a uniformity of qualification throughout New England which allows operators to employ welders and fusers qualified by any of the five states without expending resources for requalifying these employees and contractors. At the same time, pipeline safety regulators are assured that the personnel are qualified in these essential pipeline construction functions.

## **Precedent, Policies and Practice**

The Department is a national leader in gas pipeline safety. The Pipeline Engineering and Safety Division's actions in response to violations of gas-related safety regulations have gained the recognition of US DOT and agencies in other states. With more LNG plants than any other state in the country, the Commonwealth's LNG safety regulations are among the most stringent in the country.

Massachusetts is one of only a few states that has addressed the important issue of replacement or abandonment of aged cast-iron pipe. The Department's regulations require pipeline operators to prioritize and replace segments of old cast-iron pipe in accordance with Department-developed criteria. In addition, companies must replace or abandon such pipes, subject to specific criteria, when third-party excavation occurs nearby.

The Department has taken measures to address the potential safety hazards posed by unused service lines. The Department has updated existing regulations requiring the abandonment of unused lines. The regulations also specify more stringent gas leakage survey methods for operating lines.

## **2003 Pipeline Safety Division Accomplishments**

In 2003, the Pipeline Safety Division:

- Issued 22 compliance actions relevant to 46 violations of pipeline safety regulations; collected \$107,500 in civil penalties from operators who violated the pipeline safety regulations.
- Successfully supported legislation to increase civil penalties in the pipeline safety program from \$1,000 per day/\$200,000 maximum to \$50,000 per day/\$1,000,000 maximum that meets the federal requirements under the Pipeline Safety Improvement Act of 2002.
- Completed a year-long investigation of the NSTAR Hopkinton natural gas explosion.
- Issued 678 Notices of Probable Violation for violations against the Dig-Safe Law; collected \$123,350 in civil penalties from Dig-Safe violators.
- Tested 173,852 gas meters amounting to revenue of \$869,260.

## **Transportation Division**

### **Overview**

The Transportation Division regulates the rates and practices of common carriers used to transport merchandise and people, including trucks, railways, buses, household moving companies, towing companies and hazardous waste. In addition, the Transportation Division licenses all intra-state Massachusetts-based motor bus companies. The Transportation Division investigates and may hold fitness hearings after a consumer complaint, a driving violation, or an accident involving a common carrier. Undoubtedly the most critical function of the Division is public safety. The other major responsibility of the Transportation Division is consumer protection.

Although no assessments are levied against regulated common carriers, these companies are subject to fees for services such as licensing, inspection, and examination. These revenues are not retained by the Department, but are deposited directly into the Commonwealth's General Fund. During 2003, the Transportation Division generated approximately \$2.3 million in revenues. The Transportation Division is funded solely by appropriations from the General Fund.

### **Critical Public Safety Functions**

In accordance with the provisions of G.L. c. 90, § 8A and G.L. c. 159A, § 9, the Transportation Division issues both School Bus Driver Certificates and Motor Bus Driver Certificates. During 2003, the Transportation Division issued 2100 new school bus driver certificates. Ensuring a cadre of reliable school bus drivers is essential to children's safety. The Transportation Division licenses all school bus drivers in Massachusetts after (1) reviewing a physician's exam, (2) evaluating driving records, (3) performing a criminal record check, and (4) administering a three-part driving test. The Transportation Division works with the Registry of Motor Vehicles and the industry to set standards for school bus driver and other commercial driver training and qualifications.

#### **School Bus Driver Certificates and Motor Bus Driver Certificates issued in 2003**

School Bus Driver Certificates:	10,698
(new and renewals)	
Motor Bus Driver Certificates:	729

---

Total Certificates issued:	11,427
----------------------------	--------



## **On-Site School Bus Driver Compliance Reviews**

In cooperation with the State Police, Transportation Division staff perform periodic, random compliance reviews of school bus drivers. The reviews are conducted on-site, at schools and are arranged so as not to interfere with the school day. Division staff review the driver's license and certification while a state police officer conducts a safety examination of the bus.

### **On-Site School Bus Driver Compliance Reviews for 2003**

During calendar year 2003, two series of compliance reviews were performed in May and October:

Companies	Drivers	Violations Identified	Equipment Violations
55	371	30	84

## **Safety Oversight of Transit Authorities**

State law specifies the Department as the oversight agency responsible for the safety of equipment and operations of all transit authorities in Massachusetts including transit bus systems, motor coaches and sightseeing vehicles. The Division performed 3,557 safety inspections during 2003. In addition, under authority delegated by the Federal Railroad Administration and as required by G.L. c. 160, the Transportation Division performs inspections of new installations and upgrades of highway/railroad grade crossing signals.

The Federal Transit Administration ("FTA") requires that states oversee the safety and security of Rail Fixed Guideway Systems. The Massachusetts Bay Transportation Authority ("MBTA") is the only Massachusetts transit authority which operates a rail fixed guideway system. As required by G.L. c. 161A, § 3(i) and 49 C.F.R. § 659, the Transportation Division oversees the safety and security program plans of the MBTA, the fourth largest transit authority in the United States, and monitors compliance with the Department's safety and security program standard. While other states with smaller transit authorities states may dedicate an entire regulatory division to overseeing the transit authority, MBTA oversight is but one responsibility of the Transportation Division. A random inspection of MBTA subway cars is a component of this oversight program. During 2003, the Division completed 214 transit audits.

The Transportation Division reviews, tests and approves the System Safety and Security Plans created by the MBTA. Transportation Division staff work closely with MBTA staff conducting on-site inspections of facilities and equipment. In addition, Transportation Division staff review and participate in internal safety and security audits to further enhance compliance and safety. Every three years, the Transportation

Division conducts a comprehensive safety and security audit, designed to test the Safety and Security Plans.

### **Safety Inspections in 2003**

Transit bus, motor coach and sightseeing vehicles	3557
Highway/railroad grade crossing signal systems (New installation/upgrades)	15
Transit audits	214

---

Total:	3786
--------	------

### **Licensing of Certain Common Carriers**

In accordance with G.L. c. 159B, § 3 and G.L. c. 159A, § 7, 11A, the Transportation Division licenses common carriers transporting people or property by vehicle. During 2003, the Transportation Division conducted 151 licensing hearings:

#### **Licensing Hearings**

Bus Companies	53
Tow Companies	52
Household Movers	46
Hazardous Waste	0

---

Total:	151
--------	-----

In addition, 135 licenses were revoked or disciplinary action taken for carriers that failed to maintain insurance and/or to obtain current-year identification devices.

### **Provision of Decals and Permits**

Vehicle specific decals and permits (for trucks, busses, etc.) are required by law to denote a licensed common carrier. In 2003, the Transportation Division issued 11,033 decals and permits, collecting over \$300,000 in revenues.

## Consumer Complaint Investigations

In accordance with the provisions of G.L. c. 159B, § 6B and 220 C.M.R. § 272.00, the Transportation Division regulates the price and service related to the towing and storage of vehicles without the permission of the owner or operator. The Transportation Division will respond to or investigate all complaints submitted in writing. The Transportation Division received 286 consumer complaints in 2003:

### Consumer Complaints - 2003

Complaints regarding tow companies:	76
Number of complaints resulting in a refund:	52
Total dollars refunded:	\$ 4,192.00
Average refund	\$161.23

Complaints regarding moving companies:	48
Number of complaints resulting in a refund:	19
Total dollars refunded:	\$ 7,525.71
Average refund	\$396.09

## Inter-Agency Cooperation

The Transportation Division works with the following Massachusetts trade groups, state and federal agencies:

- Statewide Towing Association (“STA”). The STA petitions the Department for rate relief regarding police ordered tow rates. The maximum rate is established by a Department rulemaking.
- Automobile Insurance Bureau (“AIB”). The AIB sometimes intervenes in tow rate cases on behalf of the automobile insurance industry.
- School Transportation Association of Massachusetts (“STAM”). The STAM represents the school bus industry in Massachusetts. The Transportation Division licenses all the school bus drivers in Massachusetts. The Transportation Division works with STAM regarding training programs for drivers and school bus company personnel.
- New England Bus Transportation Association (“NEBTA”). The NEBTA represents the motor bus industry in Massachusetts. All Massachusetts-based motor bus companies must be licensed by the Department. The NEBTA sometimes intervenes on behalf of a member at license hearings.

- Department of Transportation, Office of Motor Carriers (“DOT”). The DOT cooperates on safety audits of Massachusetts-based motor bus companies. The DOT provides guidance regarding federal safety regulations and commercial driver qualifications.
- Federal Transit Administration (“FTA”). The FTA published rules which mandate a state oversight program of a subway system. The Department is the oversight agency for the MBTA subway operations and the state oversight agency for all 15 transit agencies in Massachusetts.
- Federal Railroad Administration (“FRA”). The Department is mandated by statute to ensure all highway/railroad grade crossing protection systems operate in accordance with FRA regulations.

## **Legal Division**

### **Overview**

The Legal Division staff serves as the chief legal and policy advisor to the Commission and provides legal support to all divisions of the Department. The Legal Division also serves as the Department's primary liaison with the Legislature, particularly the Committees on Government Regulations and Energy.

### **Division Responsibilities**

#### **Formal Adjudication**

The Legal Division's primary duty is presiding over adjudicatory proceedings conducted under the Massachusetts Administrative Procedures Act (G.L. c. 30A) and the Department's procedural regulations (220 C.M.R. §1.00).

Adjudications are the formal determination of parties' rights through a quasi-judicial process. All parties – both the party filing the action and any intervenors – are entitled to due process safeguards, meaning that the parties are entitled to adequate notice and the opportunity to be heard. Parties to the action have the right to present evidence, cross-examine witnesses, and receive a written decision from the Department. Pursuant to G.L. c. 25, § 4, the Chairman of the Department may delegate authority to an attorney from the Legal Division, known as the "Hearing Officer," to preside over Department adjudications.

Adjudicatory proceedings vary in complexity and may be divided into categories including:

- Utility rate-making;
- Review of utility long-range forecast and supply planning;
- Review of utility financial transactions (e.g., stock, bond, and security issuances);
- Review of proposed utility mergers;
- Resolution of billing disputes between residential consumers and utilities;
- Review of proposed energy facility construction and siting (e.g., electric generation facilities and transmission lines); and
- Certification of common carriers to do business within the Commonwealth (e.g., telecommunications companies, truck companies, bus companies);

In conducting a formal adjudicatory proceeding, the Department generally holds two types of hearings: (1) a public hearing, and (2) an evidentiary hearing. Public hearings are publicized throughout the utility's service territory. In certain types of cases, public hearings are held in a utility's service territory. Public hearings are transcribed by a stenographer. If held in a utility's service territory, public hearings are conducted during the evening, usually in an easily accessible public building such as the Town Hall, and are usually presided over by a Commissioner. The public hearings afford local consumers the opportunity to learn more about a rate request, offer their input about the pending case, and comment on the practices of the utility. Residential and business customers are a valuable source of information to the Department in developing a case record.

Evidentiary hearings are conducted in a courtroom setting in the Department's Boston offices. These proceedings are also transcribed by a stenographer. The hearings are presided over by the Hearing Officer, with the active participation of the Department's technical staff. The technical staff participate by questioning witnesses to ensure that the record is accurate and complete.

While the adjudicatory process does not require adherence to all formal rules of evidence, the evidentiary hearing process follows many rules of civil procedure, and parties are almost always represented by counsel from the utility bar. Evidentiary hearings afford intervenors the opportunity to question company witnesses. In many rate cases, the Attorney General of the Commonwealth is an intervenor. Other intervenors may include public interest organizations, DOER, and local consumer, business or neighborhood groups. Sometimes intervenors put on a direct case with witnesses of their own.

The Department issues a Final Order at the conclusion of each adjudicatory proceeding, based on the evidence in the record. Pursuant to G.L. c. 25, § 5, the Department's Final Order is appealable directly to the Massachusetts Supreme Judicial Court without intermediate appellate review. In certain circumstances, Department Orders may also be appealed to the Federal District Court or the FCC.

### **Other Types of Adjudication**

For some matters that come before the Department, an alternative to formal adjudication is available.

### **Consumer Adjudicatory Proceedings**

A "consumer adjudicatory" involves a complaint by an individual residential customer, usually regarding billing and termination of utility service. An informal hearing is conducted by the Department's Consumer Division and a written decision is issued. If the Consumer Division's decision is appealed, a Hearing Officer from the Legal Division is assigned to conduct a formal hearing pursuant to G.L. c. 30A.

## **Requests for Advisory Ruling**

The Department is sometimes called upon to issue advisory rulings with respect to the applicability of any statute or regulation enforced or administered by the Department. The Department has discretion to decline a request for an advisory ruling. G.L. 30A, § 8; 220 C.M.R. § 2.08.

## **Notice of Inquiry Proceedings**

The Department issues a Notice of Inquiry (“NOI”) when the agency desires public input on a particular issue. Thus, NOIs are Department-initiated investigations that are neither formal adjudications nor rulemakings. The goal of the NOI is to encourage broad input in the development of public policy. The Department derives authority to issue a NOI from G.L. c. 164, § 76.

Participants in an NOI proceeding file comments and may provide sworn testimony. However, participants are not cross-examined and do not have appeal rights. The order issued at the close of the investigation is usually a general policy statement with guidelines for future actions by utilities or by the Department. The policy established through the NOI may be further developed in the future through company-specific adjudications.

## **Rulemakings**

The Department conducts rulemakings pursuant to G.L. c. 30A, §§ 4-10 and 220 C.M.R. § 2.00, to adopt, amend or repeal regulations pertaining to the activities of all industries the Department is charged by statute with regulating. A rulemaking proceeding may involve simple procedural regulations or may address complex regulatory issues. The Department is required to provide public notice of a proposed rulemaking and to allow an opportunity for public comment. After consideration of the public comment, the Department may issue final regulations. Any final regulation must be published in the Code of Massachusetts Regulations.

## **Wholesale Market Activities**

The Legal Division was active in several FERC-related dockets in 2003. The Department joined with the New England Conference of Public Utilities Commissioners (“NECPUC”) in filing comments at the FERC regarding a filing made by ISO New England Inc. and the New England transmission owners for the formation of a regional transmission organization for New England (“RTO-NE”). The NECPUC comments supported the concept of an independent regional transmission organization, but requested that FERC condition approval of RTO-NE on the following: (1) allow the Regional State Committee and the RTO the right to make competing rate filings with the transmission owners at FERC, (2) provide that any future changes to the Transmission Operating Agreement are to be reviewed under the “just and reasonable”

standard, (3) broaden the RTO's right to reschedule transmission outages planned by transmission owners, and (4) modify the rights of transmission owners to withdraw from the RTO to safeguard against loss of transmission service. The Legal Division also participated in transmission company return on equity proceedings at the FERC.

## **Appeals**

Legal Division staff confers with the Attorney General's Office on state and federal court appeals. In 2002, the Franklin W. Olin College of Engineering ("Olin") appealed the Department's Order in D.T.E. 01-95 (2002) allowing Boston Edison Company to serve Olin's facilities in Needham. The Department found that, by following a municipal boundary pursuant to G.L. c. 164, § 1B(a), Olin's campus is within Boston Edison Company's exclusive service territory. On August 6, 2003, the Supreme Judicial Court issued a decision affirming the Department's Order.

## **2003 Legal Division Accomplishments**

During 2003, the Legal Division provided advice in all areas under the Department's jurisdiction and participated in the issuance of 132 Orders. A list of the Orders issued is attached at Appendix 1.

Legal Division staff provided significant support to the technical divisions in:

- Boston Gas Rate Case, D.T.E. 03-40 (2003).
- NSTAR Pension Case, D.T.E. 03-47 (2003).
- Default Service Pricing and Procurement Investigations, D.T.E. 02-40-B (2003) and D.T.E. 02-40-C (2003).
- Service Quality Performance Investigations, D.T.E. 03-10 through D.T.E. 03-23 (2003).
- Verizon Alternative Regulation, D.T.E. 01-31 and UNE Rates, D.T.E. 01-20.
- FERC-related dockets (RTO-New England, FERC Dockets RT04-2-000, ER04-116-000).



## **Consumer Division**

### **Overview**

The Consumer Division is responsible for enforcing and monitoring compliance with Massachusetts laws and Department regulations protecting consumers of gas, electricity, telecommunications, water, and cable services. Over one thousand companies fall within the scope of the Consumer Division's regulatory authority, with the largest number in the telecommunications industry.

Fulfilling its statutory and regulatory responsibilities requires the Consumer Division to:

- Respond to 72,000 to 85,000 telephone inquiries annually from consumers;
- Investigate 11,000 to 12,000 complaints annually;
- Contact utility personnel on a regular basis, ordering widespread changes in billing practices or customer policy when necessary;
- Provide annual training for utility consumer representative managers;
- Conduct informal hearings and adjudicatory hearings;
- Approve bill notices and billing inserts;
- Gather and keep statistics for reporting and informational purposes; and
- Advise the Department on issues in pending cases.

### **Division Responsibilities**

#### **Responses to Consumer Inquiries**

The Consumer Division's most important duty is to respond to the roughly 300 to 400 telephone calls it receives daily concerning utility and cable companies. Calls to the Consumer Division are categorized either as inquiries, for which information may be given, or complaints, for which cases are opened.

The Consumer Division operates a call center management system which allows staff to provide direct personal attention to consumer inquiries and complaints, while also allowing for automated voice-activated assistance to those consumers who wish to reach their utility or cable company directly. The system frees the Consumer Division's utility specialists to focus on calls requiring Consumer Division expertise.

## **Investigation and Resolution of Consumer Complaints**

Every utility or cable complaint opened by the Consumer Division must be resolved before it can be closed. The Division handles roughly 11,000 to 12,000 complaints annually. The Consumer Division receives most complaints by phone, but also receives them by mail and email. The majority of the complaints concern billing disputes, credit issues, or poor quality of service allegations. In those cases in which the utility company is found to be at fault, the Consumer Division will order the company to correct the problem and to make any necessary bill adjustments.

If a consumer or utility company is not satisfied with the resolution of a complaint filed with the Consumer Division, either party may request an informal hearing. Informal hearings for residential complaints are conducted by regulatory specialists who serves as the hearing officer and issue a written decision. Parties unhappy with the informal decision may request a formal adjudicatory hearing conducted by a Hearing Officer in the Department's Legal Division.

Telecommunications "slamming" complaints have become a significant part of the Consumer Division's complaint resolution activity. A slamming complaint is an allegation that a consumer's telecommunications service provider was switched without proper authorization. In Massachusetts, slamming complaints are governed by federal and state rules which prohibit slamming and establish both formal and informal complaint resolution procedures. Under Massachusetts law, a consumer must bring a slamming complaint to the Department within 90 days after the date of the notice indicating the service provider change. If the Department determines a "slam" has occurred, the consumer will receive a refund of the unauthorized charges.

## **Utility Compliance Training**

To help increase compliance with Department regulations, the Consumer Division holds annual utility managers' meetings. At these meetings, Consumer Division staff reviews regulations pertaining to billing, protections from shut-offs, policies on abatements, and other areas of consumer protection. Noncompliance with these regulations may require a company to issue a refund, resume service after a shut off, or adjust a bill.

## **Review of Utility Bills and Notices**

The Consumer Division is responsible for reviewing utility billing material and notices. The Consumer Division reviews bill format changes, bill inserts and notices, including rate change notices, as well as informational letters sent to consumers. The Consumer Division may recommend changes to notices where necessary to ensure that consumers are provided clear and accurate information.

## **Consumer Education**

The Consumer Division staff periodically develops informational brochures on important subjects in the utility industry, such as electric deregulation and telecommunications slamming. The Consumer Division participates in National Consumer Day and provides speakers and training to other organizations.

## **Compilation of Statistics**

In its computer database, the Consumer Division maintains a record of each consumer complaint and inquiry. The complaint data include the name of the customer and the utility, the type of utility service, the nature of the complaint, whether the complaint resulted in a hearing, and whether an adjustment was made on the bill. The database also keeps track of additional data, including the number and category of calls by industry, company, and regulatory specialist investigating the call.

The Consumer Division generates monthly statistical reports for the Department which include cases, inquiries, and bill adjustment amounts per industry and their percentage increase or decrease in the previous twelve-month average. The reports compare companies using measures such as the number of residential complaints per 1000 customers, and the total number of complaints per month. The Consumer Division provides statistical information to the Department, utilities, government representatives and the media. The statistical complaint data compiled by the Consumer Division provides an important basis for determining whether fines should be levied against a utility for failure to meet required service quality benchmarks.

## **Consumer Division 2003 Accomplishments**

Appendix 3 contains Consumer Division statistics by industry for calendar year 2003.

- The Consumer Division received a total of 82,492 consumer contacts in 2003 by phone, mail and email, with a peak daily volume of 526 calls. Of these contacts: (1) 13,367 were general inquiries from consumers, (2) 8,337 resulted in consumer cases against utility and cable companies, and (3) 60,540 were transferred directly the Division's name recognition system to the utility company the consumers were trying to reach;
- In 2003, the Consumer Division investigated 899 slamming allegations against telephone carriers.
- The Consumer Division refunded \$385,612 to consumers as a result of its case investigations.

- The Consumer Division reviewed sales promotional material of a company seeking Department permission to market electric generation service to residential consumers.
- The Consumer Division developed a new telephone service brochure, also available on the Department's Website, to help protect consumers against slamming and provide information about how to select a telephone carrier.

## **Executive Division**

### **Overview**

The Executive Division provides administrative support to the Department for management information systems, public relations, purchasing, accounts receivable and payable, payroll, personnel management and budget preparation and management. The Executive Division also serves as liaison to the Office of Consumer Affairs and Business Regulation ("Consumer Affairs"), the Fiscal Affairs and Human Resources Divisions in the Executive Office for Administration and Finance, and various jurisdictional legislative committees.

The Executive Division manages the Department's budget, which is funded almost entirely by assessments against electric, gas, telecommunications and cable companies under the Department's jurisdiction.

The Executive Division drafts and issues all press releases on behalf of the Department, responds to all media inquiries, and prepares speaking points and briefing materials for Consumer Affairs and the Governor's Press Office.

### **Administration**

The Administration section of the Executive Division is responsible for noticing all Departmental public hearings and meetings. In 2003, the Department conducted a total of 332 hearings. Although most hearings are held in the Department's South Station Offices, the Department conducted 14 public hearings in other locations throughout the state.

The Administration section also processes all docket filings and Orders issued by the Department and manages the records retention program. Many of our systems have been automated in recent years, as described in the section below.

### **Management Information Systems/ Computer Services**

Management Information Systems ("MIS") is responsible for operation of the Department's information technology systems, telephone system and Website. The Department uses a variety of technologies to disseminate information to the citizens of the Commonwealth, to Department staff, and to the utility companies that the Department regulates.

#### **Management of the Department's Computer Network**

Internally, the Department uses a Windows-based data network of 215 desktop computers, 45 laptop computers for field inspectors and traveling staff, and ten connections for remote users. MIS is responsible for operating, maintaining, and

upgrading the Department's computer network, as well as assisting and training Department staff in its use.

The Department's desktops and servers use a Microsoft's Windows 2000 architecture. Electronic security policies prohibiting users from making potentially harmful system configuration changes have reduced the number of system reconfigurations significantly.

### **Management of the Department's Website**

MIS manages the Department's Website, located at [www.mass.gov/dpu](http://www.mass.gov/dpu). The website is continually updated to ensure that both staff and consumers can obtain information quickly and easily. The Website contains a search engine with keyword searching, which enables users to locate information by topic. In addition, the Consumer Services section of the Website allows for easy retrieval of utility company information.

On the Department Website, consumers may browse, search, and download files and Orders issued by the Department, as well as search for items by docket number in the "Enhanced Fileroom." In addition, consumers may access lists of electric and telecommunications companies licensed to do business within Massachusetts, and can determine which utilities serve their communities. Consumers can obtain information about Department programs and initiatives such as electric restructuring, gas unbundling, and the Dig Safe law. Consumers also may file a complaint on-line, and may direct a question about utility service to the Department's Consumer Division as well as each of the technical divisions.

The Department's Website provides links to utility company and trade association websites, and to the websites of other state and federal agencies. These include: DOER, the FCC, the Federal Nuclear Regulatory Commission, and the FERC.

### **Management of the Department's Telephone System**

The Department's telephone system provides consumers with quick access to utility company complaint centers through the use of voice recognition software. The system can route calls directly from the Department to the utility company identified by the caller. The new software recognizes both English and Spanish.

## **Management of Other Technologies**

MIS manages the sound system, projector and electronic white board for the Department's largest hearing room, which makes it possible for all persons in the room to hear the testimony of witnesses and view presentations.

MIS is working with the Office of Consumer Affairs and Business Regulation to simplify the license renewal process for all agencies. With funding from the Information Technology Division ("ITD"), the group has already completed the project assessment phase, and is currently working on a system prototype that will be run on the Mass.gov portal website and use the secure payment system.

## Appendix 1 - Department Orders Issued in 2003

Docket	Title		Utility
00-63	JOINT PETITION OF BOSTON EDISON COMPANY, CAMBRIDGE ELECTRIC LIGHT COMPANY AND COMMONWEALTH ELECTRIC COMPANY FOR AN APPROVAL BY THE DEPARTMENT OF AN OFFER OF SETTLEMENT, RELATED TO THE COMPANIES' ENERGY EFFICIENCY PLAN FOR THE YEARS 2000-2002.	1/28/2003	ELECTRIC
00-79	JOINT PETITION OF WESTERN MASSACHUSETTS ELECTRIC COMPANY, THE CONSERVATION LAW FOUNDATION, INC., THE LOW-INCOME ENERGY AFFORDABILITY NETWORK, AND THE NORTHEAST ENERGY EFFICIENCY COUNCIL FOR APPROVAL OF WESTERN MASSACHUSETTS ELECTRIC COMPANY'S EFFICIENCY P	1/28/2003	ELECTRIC
01-105	PETITION OF KEYSpan ENERGY DELIVERY NEW ENGLAND FOR APPROVAL OF THE COMPANY'S LONG-RANGE RESOURCE AND REQUIREMENTS PLAN FOR THE FORECAST PERIOD 2001-02 THROUGH 2005/06.	1/30/2003	GAS
01-106	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION, PURSUANT TO G.L. C. 159 AND G.L. C. 164, § 76 TO INVESTIGATE INCREASING THE PENETRATION RATE FOR DISCOUNTED ELECTRIC, GAS AND	8/8/2003	ELECTRIC
01-20A-A	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE APPROPRIATE PRICING, BASED UPON TOTAL ELEMENT LONG-RUN INCREMENTAL COSTS, FOR UNBUNDLED NETWORK ELEMENTS, AND THE APPROPRIATE AVOIDED COST DISCOUNT FOR VERIZON NEW	1/14/2003	TELECOM
01-20A-B	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE APPROPRIATE PRICING, BASED UPON TOTAL ELEMENT LONG-RUN INCREMENTAL COSTS, FOR UNBUNDLED NETWORK ELEMENTS, AND THE APPROPRIATE AVOIDED COST DISCOUNT FOR VERIZON NEW	5/29/2003	TELECOM
01-20	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE APPROPRIATE PRICING, BASED UPON TOTAL ELEMENT LONG-RUN INCREMENTAL COSTS, FOR UNBUNDLED NETWORK ELEMENTS, AND THE APPROPRIATE AVOIDED COST DISCOUNT FOR VERIZON NEW	2/12/2003	TELECOM
01-20	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE APPROPRIATE PRICING, BASED UPON TOTAL ELEMENT LONG-RUN INCREMENTAL COSTS, FOR UNBUNDLED NETWORK ELEMENTS, AND THE APPROPRIATE AVOIDED COST DISCOUNT FOR VERIZON NEW	7/14/2003	TELECOM
01-20	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE APPROPRIATE PRICING, BASED UPON TOTAL ELEMENT LONG-RUN INCREMENTAL COSTS, FOR UNBUNDLED NETWORK ELEMENTS, AND THE APPROPRIATE AVOIDED COST DISCOUNT FOR VERIZON NEW	8/6/2003	TELECOM
01-31	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE APPROPRIATE PRICING, BASED UPON TOTAL ELEMENT LONG-RUN INCREMENTAL COSTS, FOR UNBUNDLED NETWORK ELEMENTS, AND THE APPROPRIATE AVOIDED COST DISCOUNT FOR VERIZON NEW	5/29/2003	TELECOM
01-36/02-20	REGULATION FOR VERIZON NEW ENGLAND, INC., D/B/A VERIZON MASSACHUSETTS' INTRASTATE RETAIL TELECOMMUNICATIONS SERVICE		
01-36	PETITION OF WESTERN MASSACHUSETTS ELECTRIC COMPANY'S 2000 TRANSITION CHARGE RECONCILIATION FOR THE 12 MONTH PERIOD FROM JANUARY 1, 2000 THROUGH DECEMBER 31, 2000.	1/31/2003	ELECTRIC
01-55	PETITION OF WESTERN MASSACHUSETTS ELECTRIC COMPANY'S 2000 TRANSITION CHARGE RECONCILIATION FOR THE 12 MONTH PERIOD FROM JANUARY 1, 2000 THROUGH DECEMBER 31, 2000.	7/15/2003	ELECTRIC
	PETITION OF DOVER WATERWORKS CO., INC., FOR DETERMINATION BY THE DEPARTMENT OF THE PROPRIETY OF THE RATES AND CHARGES TO BE SET FORTH UNDER THE TERMS OF A PROPOSED SUPPLY CONTRACT WITH DOVER WATER	7/23/2003	WATER



01-79-A	PETITION OF CAMBRIDGE ELECTRIC LIGHT COMPANY AND COMMONWEALTH ELECTRIC COMPANY REQUEST FOR APPROVAL OF ITS TRANSITION CHARGE RECONCILIATION FILING, TOGETHER WITH PROPOSED TRANSITION CHARGE FOR CAMBRIDGE ELECTRIC LIGHT COMPANY AND COMMONWEALTH ELECTRIC COMPANY	5/22/2003	ELECTRIC
	PETITION OF BAY STATE GAS COMPANY FOR AUTHORITY TO ESTABLISH GAS COST	4/18/2003	GAS
01-81	INCENTIVE MECHANISM.		
	PETITION OF NSTAR GAS COMPANY FOR APPROVAL OF THE COMPANY'S LOAD	6/16/2003	GAS
02-12	FORECAST AND RESOURCE PLAN FOR THE FORECAST PERIOD 2001/02 THROUGH		
	PETITION OF THE BERKSHIRE GAS COMPANY FOR APPROVAL OF THEIR FORECAST	2/5/2003	GAS
02-17	AND SUPPLY PLAN FOR THE SPLIT-YEAR 2001-2002 TO 2005- 2006 FOR REVIEW BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, PURSUANT TO G.L. C. 164, §		
	PETITION OF WESTERN MASSACHUSETTS ELECTRIC COMPANY FOR APPROVAL BY THE	7/15/2003	ELECTRIC
02-20	DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY OF THEIR TRANSITION CHARGE RECONCILIATION FILING FOR CALENDAR 2001.		
	GLOBAL NAPS, INC.'S ADOPTION OF THE TERMS OF THE INTERCONNECTION	2/12/2003	TELECOM
02-21	AGREEMENT BETWEEN GLOBAL NAPS, INC., AND VERIZON RHODE ISLAND, PURSUANT TO THE BA/GTE MERGER CONDITIONS.		
02-22	PETITION OF FITCHBURG GAS & ELECTRIC LIGHT COMPANY'S GAS DIVISION PERFORMANCE-BASED REGULATION PLAN AS DIRECTED BY THE DEPARTMENT.	1/7/2003	GAS
	PETITION OF FITCHBURG GAS & ELECTRIC LIGHT COMPANY'S ELECTRIC DIVISION	1/7/2003	ELECTRIC
02-23	PERFORMANCE-BASED REGULATION PLAN AS DIRECTED BY THE DEPARTMENT.		
02-40-A	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE PROVISION OF DEFAULT SERVICE.	4/24/2003	ELECTRIC
02-40-B	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE PROVISION OF DEFAULT SERVICE.	4/24/2003	ELECTRIC
02-40-C	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE PROVISION OF DEFAULT SERVICE.	9/11/2003	ELECTRIC
	PETITION OF GLOBAL NAPS, INC. FOR ARBITRATION PURSUANT TO SECTION 252(B) OF	2/19/2003	TELECOM
02-45	THE TELECOMMUNICATIONS ACT OF 1996 TO ESTABLISH AN INTERCONNECTION AGREEMENT WITH VERIZON NEW ENGLAND, INC., D/B/A VERIZON MASSACHUSETTS F/K/A NEW ENGLAND TELEPHONE & TELEGRAPH CO		
02-45	PETITION OF GLOBAL NAPS, INC. FOR ARBITRATION PURSUANT TO SECTION 252(B) OF THE TELECOMMUNICATIONS ACT OF 1996 TO ESTABLISH AN INTERCONNECTION AGREEMENT WITH VERIZON NEW ENGLAND, INC., D/B/A VERIZON MASSACHUSETTS F/K/A NEW ENGLAND TELEPHONE & TELEGRAPH COMPANY	3/14/2003	TELECOM
02-46	PETITION OF TOWN OF FRAMINGHAM FOR A DETERMINATION OF THE RATES APPLICABLE TO THE TRANSPORTATION AND TREATMENT OF SEWAGE PURSUANT TO AN INTER-MUNICIPAL AGREEMENT WITH THE TOWN OF ASHLAND.	2/28/2003	OTHER
	PETITION OF BOSTON GAS COMPANY D/B/A KEYSpan ENERGY DELIVERY NEW	1/10/2003	GAS
02-48	ENGLAND FOR APPROVAL TO RENEW A FIRM GAS TRANSPORTATION AGREEMENT WITH DISTRIGAS OF MASSACHUSETTS.		
	PETITION OF WESTERN MASSACHUSETTS ELECTRIC COMPANY, FOR APPROVAL	6/27/2003	ELECTRIC
02-49	UNDER SECTION 14 OF CHAPTER 164 OF THE GENERAL LAWS, TO ISSUE LONG-TERM DEBT SECURITIES IN AN AMOUNT NOT TO EXCEED \$105 MILLION.		
	PETITION OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY FOR APPROVAL BY	1/3/2003	GAS
02-55	THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY OF A FIRM GAS TRANSPORTATION AGREEMENT WITH THE TENNESSEE GAS PIPELINE COMPANY FOR FIRM SHORT HAUL SERVICE FROM DRACUT, MASSACHUSETTS TO		

02-58	PETITION OF COLONIAL GAS COMPANY D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND FOR THE RECOVERY OF LOST MARGINS RESULTING FROM DEMAND-SIDE MANAGEMENT PROGRAMS FOR THE PERIOD MAY 2001 THROUGH APRIL 2002.	6/6/2003	GAS
02-72	PETITION OF BAY STATE GAS COMPANY FOR APPROVAL BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, PURSUANT TO M.G.L. C. 164 §§ 76, 76A, 94 AND 220 C.M.R. 6.06 TO (I) USE AN INTERNAL FUEL FINANCING VEHICLE IN PLACE OF BAY STATE'S FUEL PURCHASE AGREEMENT	1/17/2003	GAS
02-73	PETITION OF BAY STATE GAS COMPANY FOR AUTHORIZATION TO ISSUE AND SELL LONG TERM (20 YEAR) UNSECURED PROMISSORY NOTE(S) IN AN AGGREGATE AMOUNT NOT TO EXCEED \$50,000,000 AT FACE VALUE, TO ITS AFFILIATE, NISOURCE FINANCE CORP., PURSUANT TO M.G.L. C. 164, §§	2/4/2003	GAS
02-74	ASSESSMENTS APPLIED TO SELECTED UTILITY COMPANIES OWNING OR HAVING ENTITLEMENTS TO ELECTRIC POWER FROM CERTAIN NUCLEAR GENERATING FACILITIES INSIDE AND OUTSIDE OF MASSACHUSETTS FOR THE PURPOSE OF REIMBURSING THE COMMONWEALTH FOR EXPENDITURES INCURRED BY TH	1/10/2003	ELECTRIC
02-76	PETITION OF CAMBRIDGE ELECTRIC LIGHT COMPANY D/B/A NSTAR ELECTRIC FOR APPROVAL BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO REVIEW AND APPROVE THE ASSET DIVESTITURE, PURSUANT TO WHICH THE COMPANY WILL SELL ITS INTERESTS IN THE LAND AND BUILDINGS	3/14/2003	ELECTRIC
02-80A	PETITION OF BOSTON EDISON, D/B/A NSTAR ELECTRIC REQUESTING APPROVAL OF ITS TRANSITION RECONCILIATION FILING, TOGETHER WITH PROPOSED TRANSITION CHARGES FOR BOSTON EDISON COMPANY, PURSUANT TO G.L. C. 164, §1A(A), 220 CMR § 11.03 (4)(E), AND THE RESTRUCTURING ACT	11/6/2003	ELECTRIC
02-81	PETITION OF THE BERKSHIRE GAS COMPANY FOR APPROVAL OF A GAS PURCHASE AGREEMENT WITH BP ENERGY COMPANY.	3/14/2003	GAS
02-82	PETITION OF VERIZON NEW ENGLAND, INC. D/B/A VERIZON MASSACHUSETTS, RE: AGREEMENT WITH VISTA INFORMATION TECHNOLOGIES, INC. TO CONTINUE TO PROVIDE DUAL PARTY RELAY SERVICE IN MASSACHUSETTS.	2/13/2003	TELECOM
02-84	PETITION OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY FOR APPROVAL OF ITS ELECTRIC RECONCILIATION MECHANISM AND TRANSITION CHARGE RECONCILIATION FILING.	6/6/2003	ELECTRIC
02-86	PETITION AND COMPLAINT OF SCHREIBER AND ASSOCIATES, P.C., AND S&A SERVICES OF WATERTOWN, LTD., REGARDING THE PRACTICES OF CTC COMMUNICATIONS	7/7/2003	TELECOM
02-AD-2	ADJUDICATORY HEARING IN THE MATTER OF COMPLAINT OF PATRICIA JAMES, RELATIVE TO THE RATES AND CHARGES RENDERED BY NSTAR/COMMONWEALTH	2/27/2003	CONS ADJ
02-TD-1	APPEAL OF ROBIN L. MCPARTLAND OF THE DECISION OF THE DIRECTOR OF THE TRANSPORTATION DIVISION, DATED SEPTEMBER 4, 2002.	5/5/2003	TRANS
03-04-2	ADJUDICATORY PROCEEDING IN THE MATTER OF COMPLAINT OF BARBARA MCTIGUE RELATIVE TO THE SERVICES PROVIDED BY BROADVIEW NETWORKS, INC.	11/6/2003	OTHER
03-04-2	ADJUDICATORY PROCEEDING IN THE MATTER OF COMPLAINT OF BARBARA MCTIGUE CONCERNING THE SERVICES PROVIDED BY BROADVIEW COMMUNICATIONS.	9/15/2003	OTHER
03-04-9	ADJUDICATORY PROCEEDING IN THE MATTER OF COMPLAINT OF RONALD KARAS RELATIVE TO THE SERVICES PROVIDED BY ACN COMMUNICATION SERVICES, INC	5/28/2003	OTHER
03-04-11	COMPLAINT FILED BY MARK THOMAS CLAIMING THAT HIS LONG DISTANCE AND LOCAL TOLL EXCHANGE SERVICES WERE SWITCHED TO AT&T COMMUNICATIONS OF NEW ENGLAND WITHOUT AUTHORIZATION	6/26/2003	TELECOM
03-04-21	COMPLAINT FILED BY SUBHENDU ROY, CLAIMING THAT HIS LONG-DISTANCE TELEPHONE SERVICE WAS SWITCHED TO OPTICAL TELEPHONE CORPORATION WITHOUT AUTHORIZATION.	10/29/2003	TELECOM

03-10	INVESTIGATION BY THE DEPARTMENT INTO BAY STATE GAS COMPANY'S 2002  SERVICE QUALITY REPORT, FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-84, ATT. 1, IX (JUNE 29, 2001).	9/30/2003	GAS
03-11	INVESTIGATION BY THE DEPARTMENT INTO THE BERKSHIRE GAS COMPANY'S 2002  SERVICE QUALITY REPORT, FILED PURSUANT TO SERVICE QUALITY STANDARD FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-84 (JUNE 29, 2001).	9/30/2003	GAS
03-115	PETITION OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY FOR APPROVAL OF ITS ELECTRIC RECONCILIATION MECHANISM AND TRANSITION CHARGE RECONCILIATION FILING	12/29/2003	GAS
03-12	INVESTIGATION BY THE DEPARTMENT INTO BLACKSTONE GAS COMPANY'S 2001  SERVICE QUALITY REPORT, PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-84 (JUNE 29, 2001).	9/30/2003	GAS
03-120	PETITION OF NANTUCKET ELECTRIC COMPANY FOR APPROVAL OF DEPARTMENT OF TELECOMMUNICATIONS OF A CABLE SURCHARGE TO BECOME EFFECTIVE ON JANUARY 1, 2004.	12/30/2003	ELECTRIC
03-121	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY AS TO THE PROPRIETY OF THE STANDBY RATE TARIFFS FOR NSTAR ELECTRIC	11/26/2003	ELECTRIC
03-122	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION AS TO THE PROPRIETY OF THE RATES AND TARIFFS SET FORTH IN ITS DEFAULT SERVICE ADJUSTMENT TARIFFS	11/28/2003	ELECTRIC
03-126/ 03-124	PETITION OF MASSACHUSETTS ELECTRIC COMPANY AND NANTUCKET ELECTRIC ITS RATE RECONCILIATION AND ADJUSTMENT FILING	12/29/2003	ELECTRIC
03-125	PETITION OF WESTERN MASSACHUSETTS ELECTRIC COMPANY REQUESTING APPROVAL OF ITS 2004 RATE CHANGE FILING AND OF CHANGES TO ITS RATE TARIFFS EFFECTIVE JANUARY 1, 2004	12/29/2003	ELECTRIC
03-13	INVESTIGATION BY THE DEPARTMENT INTO BOSTON EDISON COMPANY D/B/A NSTAR  ELECTRIC'S 2002 SERVICE QUALITY REPORT FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-84 (JUNE 29, 2001)	9/30/2003	ELECTRIC
03-14	INVESTIGATION BY THE DEPARTMENT INTO BOSTON GAS COMPANY D/B/A KEYSpan  ENERGY DELIVERY OF NEW ENGLAND'S 2002 SERVICE QUALITY REPORT, FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E.	9/30/2003	GAS
03-15	INVESTIGATION BY THE DEPARTMENT INTO CAMBRIDGE ELECTRIC LIGHT COMPANY  D/B/A NSTAR ELECTRIC'S 2002 SERVICE QUALITY REPORT FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-84 (JUN	9/30/2003	ELECTRIC
03-16	INVESTIGATION BY THE DEPARTMENT INTO COLONIAL GAS COMPANY D/B/A  KEYSPAN ENERGY DELIVERY NEW ENGLAND'S 2002 SERVICE QUALITY REPORT, FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E.	9/30/2003	GAS
03-17	INVESTIGATION BY THE DEPARTMENT INTO COMMONWEALTH ELECTRIC COMPANY  D/B/A NSTAR ELECTRIC'S 2002 SERVICE QUALITY REPORT FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-84 (JUNE	9/30/2003	ELECTRIC
03-18	INVESTIGATION BY THE DEPARTMENT INTO ESSEX GAS COMPANY D/B/A KEYSpan  ENERGY DELIVERY NEW ENGLAND'S 2002 SERVICE QUALITY REPORT FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-	9/30/2003	GAS

03-19	INVESTIGATION BY THE DEPARTMENT INTO FITCHBURG GAS AND ELECTRIC LIGHT COMPANY'S 2002 SERVICE QUALITY REPORT FILED PURSUANT TO SERVICE QUALITY STANDARDS FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES D.T.E. 99-84 (JUNE 29, 2001). PETITION OF MASSACHUSETTS ELECTRIC COMPANY AND NANTUCKET ELECTRIC	9/30/2003	ELECTRIC
03-2	COMPANY FOR APPROVAL OF THEIR 2003 ENERGY EFFICIENCY PLAN. INVESTIGATION BY THE DEPARTMENT INTO NSTAR GAS COMPANY'S 2002 SERVICE	9/16/2003	ELECTRIC
03-21	QUALITY REPORT, FILED PURSUANT TO SERVICE QUALITY STANDARD FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES. D.T.E. 99-84	9/30/2003	GAS
03-22	INVESTIGATION BY THE DEPARTMENT INTO NEW ENGLAND GAS COMPANY'S 2002 SERVICE QUALITY REPORT, FILED PURSUANT TO SERVICE QUALITY STANDARD FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL DISTRIBUTION COMPANIES, D.T.E. 99-84 (JUNE 29, 2001). INVESTIGATION BY THE DEPARTMENT INTO WESTERN MASSACHUSETTS ELECTRIC	9/30/2003	GAS
03-23	COMPANY'S 2002 SERVICE QUALITY REPORT, FILE PURSUANT TO SERVICE QUALITY STANDARD FOR ELECTRIC DISTRIBUTION COMPANIES AND LOCAL GAS DISTRIBUTION COMPANIES, D.T.E. 99-84 (JUNE 29, 2001).	9/30/2003	ELECTRIC
03-24	RULEMAKING BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, PURSUANT TO 220 C.M.R. §§ 2.00 ET SEQ., TO PROMULGATE REGULATIONS TO ESTABLISH A FUNDING MECHANISM FOR WIRELINE ENHANCED 911 SERVICES, RELAY SERVICES FOR TTD/TTY USERS, COMMUNICATIONS EQUIPMENT	3/13/2003	TELECOM
03-24	RULEMAKING BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, PURSUANT TO 220 C.M.R. §§ 2.00 ET SEQ., TO PROMULGATE REGULATIONS TO ESTABLISH A FUNDING MECHANISM FOR WIRELINE ENHANCED 911 SERVICES, RELAY SERVICES FOR TTD/TTY USERS, COMMUNICATIONS EQUIPMENT	7/28/2003	TELECOM
03-25-A	PETITION OF WAKEFIELD MUNICIPAL GAS AND LIGHT DEPARTMENT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	2/24//2003	OTHER
03-25-B	PETITION OF BOYLSTON LIGHT DEPARTMENT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	7/3//2003	OTHER
03-25-C	PETITION OF GROVELAND ELECTRIC DEPARTMENT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	7/3//2003	OTHER
03-25-D	PETITION OF PAXTON MUNICIPAL LIGHT COMMISSION FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FOUR PERCENT FOR THE YEAR 2003.	7/3//2003	OTHER
03-25-E	PETITION OF ROWLEY ELECTRIC MUNICIPAL LIGHTING PLANT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	7/3//2003	OTHER
03-25-F	PETITION OF MERRIMAC LIGHT DEPARTMENT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	7/3//2003	OTHER
03-25-G	PETITION OF CHICOPEE ELECTRIC LIGHT DEPARTMENT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	7/3//2003	OTHER
03-25-H	PETITION OF ASHBURNHAM MUNICIPAL LIGHT PLANT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	7/3//2003	OTHER
03-25-I	PETITION OF TOWN OF MIDDLEBOROUGH GAS AND ELECTRIC DEPARTMENT FOR AUTHORIZATION AND APPROVAL OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR THE YEAR 2003.	10/31/2003	OTHER

03-25-J	PETITION OF THE STERLING MUNICIPAL LIGHT DEPARTMENT FOR AUTHORIZATION OF AN INCREASE IN THE RATE OF DEPRECIATION FROM THE STATUTORY RATE OF THREE PERCENT TO FIVE PERCENT FOR TH YEAR 2003.	10/31/2003	OTHER
	PETITION OF BOSTON EDISON COMPANY, PURSUANT TO G.L. C. 164, § 69I, G.L. C. 25 § 19,	3/24/2003	OTHER
03-27	G.L. C. 25A § 12 AND 220 C.M.R. §§ 10.00 ET SEQ., FOR DEPARTMENT APPROVAL OF AN AMENDMENT TO ITS CONSERVATION RESOURCES AGREEMENTS WITH PLANERGY,		
	COMPLAINT OF GLOBAL NAP'S, INC., AGAINST VERIZON FOR DENIAL OF ISSUANCE OF	7/28/2003	TELECOM
03-29	COLLOCATION ACCESS CARDS.		
	PETITION OF SOUTHERN UNION COMPANY FOR APPROVAL AND AUTHORIZATION: (1)	2/19/2003	GAS
03-3	PURSUANT TO G.L. C. 164, § 17A, TO INVEST UP TO \$662.3 MILLION IN SOUTHERN UNION PANHANDLE CORP. AND (2) PURSUANT TO G.L. C. 164, §§ 14 AND 16, TO ISSUE COMMON/OR PREFERRED STOCK UP TO		
	PETITION OF BAY STATE GAS COMPANY FOR APPROVAL BY THE DEPARTMENT OF A	8/1/2003	GAS
03-37	PRECEDENT AGREEMENT BETWEEN BAY STATE GAS AND ALGONQUIN GAS TRANSMISSION COMPANY AND RELATED NOVEMBER 2002 LETTER AGREEMENT GOVERNING BAY STATE'S ACQUISITION OF CAPACITY ASSOCIATED WITH		
	PETITION OF VERIZON NEW ENGLAND INC. D/B/A VERIZON MASSACHUSETTS FOR A	4/17/2003	TELECOM
03-38	WAIVER OF CERTAIN SERVICE QUALITY RESULTS MEASURED UNDER THE PERFORMANCE ASSURANCE PLAN FOR JANUARY 2003		
03-39	PETITION OF CAPE LIGHT COMPACT SEEKING CERTIFICATION OF AMENDED ENERGY EFFICIENCY PLAN BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, PURSUANT TO G.L. C. 164, § 134 (B).	10/23/2003	ELECTRIC
03-40	PETITION OF BOSTON GAS COMPANY D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND FOR A GENERAL INCREASE IN RATES.	4/22/2003	GAS
03-40	PETITION OF BOSTON GAS COMPANY D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND FOR A GENERAL INCREASE IN RATES.	10/31/2003	GAS
	PETITION OF BOSTON EDISON COMPANY, PURSUANT TO G.L. C. 25A, § 12, AND 220	7/17/2003	ELECTRIC
03-41	C.M.R. §§ 10.00 ET SEQ., FOR THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY APPROVAL OF AN AMENDMENT TO ITS CONSERVATION RESOURCES AGREEMENT WITH NORESKO, LLC, INC		
03-42	PETITION OF THE MASSACHUSETTS BAY TRANSPORTATION AUTHORITY TO COMMENCE A RULEMAKING: RAIL FIXED GUIDEWAY SYSTEM SAFETY PROGRAM STANDARD.	11/11/2003	TRANSP
03-43	PETITION OF WESTERN MASSACHUSETTS ELECTRIC COMPANY FOR APPROVAL BY THE DEPARTMENT OF THEIR ENERGY EFFICIENCY PLAN FOR 2003.	10/2/2003	ELECTRIC
	PETITION OF FITCHBURG GAS & ELECTRIC LIGHT COMPANY FOR APPROVAL BY THE	10/9/2003	ELECTRIC
03-44	DEPARTMENT OF THEIR ENERGY EFFICIENCY PLAN FOR 2003.		
	PETITION OF SOUTHERN UNION COMPANY FOR AUTHORIZATION AND APPROVAL,	7/3/2003	GAS
03-46	PURSUANT TO G.L. C. 164, §§ 11 AND 14, TO ISSUE AND DISTRIBUTE UP TO 4.5 MILLION SHARES OF COMMON STOCK AS DIVIDEND PAYMENT TO THE COMPANY'S EQUITY SHAREHOLDERS IN 2003		
03-47	INVESTIGATION BY THE DEPARTMENT ON ITS OWN MOTION AS TO THE PROPRIETY OF THE RATES AND CHARGES SET FORTH IN THE FOLLOWING TARIFFS: M.D.T.E. NOS. 109, 209, 309 AND 406, FILED WITH THE DEPARTMENT ON APRIL 16, 2003 TO BECOME EFFECTIVE MAY 1, 2003 BY BOSTON EDISON	4/23/2003	ELECTRIC
03-47	INVESTIGATION BY THE DEPARTMENT ON ITS OWN MOTION AS TO THE PROPRIETY OF THE RATES AND CHARGES SET FORTH IN THE FOLLOWING TARIFFS: M.D.T.E. NOS. 109, 209, 309 AND 406, FILED WITH THE DEPARTMENT ON APRIL 16, 2003 TO BECOME EFFECTIVE MAY 1, 2003 BY BOSTON EDISON	6/13/2003	ELECTRIC

03-47	INVESTIGATION BY THE DEPARTMENT ON ITS OWN MOTION AS TO THE PROPRIETY OF THE RATES AND CHARGES SET FORTH IN THE FOLLOWING TARIFFS: M.D.T.E. NOS. 109, 209, 309 AND 406, FILED WITH THE DEPARTMENT ON APRIL 16, 2003 TO BECOME EFFECTIVE MAY 1, 2003 BY BOSTON EDISON	9/30/2003	ELECTRIC
03-47	INVESTIGATION BY THE DEPARTMENT ON ITS OWN MOTION AS TO THE PROPRIETY OF THE RATES AND CHARGES SET FORTH IN THE FOLLOWING TARIFFS: M.D.T.E. NOS. 109, 209, 309 AND 406, FILED WITH THE DEPARTMENT ON APRIL 16, 2003 TO BECOME EFFECTIVE MAY 1, 2003 BY BOSTON EDISON	10/31/2003	ELECTRIC
03-47B	PETITION OF COMMONWEALTH ELECTRIC COMPANY, CAMBRIDGE ELECTRIC LIGHT COMPANY, AND BOSTON EDISON COMPANY, D/B/A NSTAR ELECTRIC, AND NSTAR GAS COMPANY, FOR APPROVAL OF TARIFFS TO PROVIDE RECOVERY FOR COSTS ASSOCIATED WITH THEIR OBLIGATIONS TO PROVIDE EMPLOYEE PENSION BENEFITS AND POST-RETIREMENT BENEFITS OTHER THAN PENSIONS	12/24/2003	GAS/ELEC
03-48	PETITION OF NSTAR ELECTRIC FOR APPROVAL BY THE DEPARTMENT OF THEIR ENERGY EFFICIENCY PLAN FOR 2003.	12/9/2003	ELECTRIC
03-49	PETITION OF BOSTON GAS COMPANY D/B/A KEYSPAN ENERGY DELIVERY NEW ENGLAND FOR AUTHORIZATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO CARRY ON ITS BUSINESS IN THE TOWN OF OXFORD, MASSACHUSETTS PURSUANT TO THE PROVISIONS OF G.L. C. 164, § 30.	7/8/2003	GAS
03-50	VERIZON NEW ENGLAND INC. D/B/A VERIZON MASSACHUSETTS PERFORMANCE ASSURANCE PLAN	10/22/2003	TELECOM
03-51	INQUIRY BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO THE APPLICATION OF USGEN NEW ENGLAND TO ISO NEW ENGLAND, INC. IN ACCORDANCE WITH SECTION 18.4 OF THE RESTATED NEPOOL AGREEMENT FOR THE RETIREMENT OF THE COMPANY'S SALEM HARBOR ELECTRIC GENERATING STATION.	5/14/2003	ELECTRIC
03-53	PETITION OF MASSACHUSETTS ELECTRIC COMPANY FOR APPROVAL BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY OF A TARGETED DEMAND PETITION OF MASSACHUSETTS ELECTRIC COMPANY FOR APPROVAL BY THE	5/29/2003	ELECTRIC
03-54	DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY OF A PROPOSAL FOR SECOND PETITION OF MASSACHUSETTS ELECTRIC COMPANY FOR APPROVAL BY THE	7/7/2003	ELECTRIC
03-55	DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY OF A RENEWABLE ENERGY	7/14/2003	ELECTRIC
03-58	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, ON ITS OWN MOTION, AS TO THE PROPRIETY OF THE RATES AND CHARGES IN TARIFF M.D.T.E. NO. 241 BY CAMBRIDGE ELECTRIC LIGHT COMPANY	5/29/2003	ELECTRIC
03-58	INVESTIGATION B THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, ON ITS OWN MOTION, AS TO THE PROPRIETY OF THE RATES AND CHARGES IN TARIFF M.D.T.E. NO. 241 BY CAMBRIDGE ELECTRIC LIGHT COMPANY	11/28/2003	ELECTRIC
03-59	PROCEEDING OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION TO IMPLEMENT THE REQUIREMENTS OF THE FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL REVIEW ORDER	11/25/2003	TELECOM
03-62	INQUIRY BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION TO INVESTIGATE THE USE OF THE NEW ENGLAND GENERATION INFORMATION SYSTEM.	6/13/2003	ELECTRIC
03-63	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO ESTABLISH A SURCHARGE TO RECOVER PRUDENTLY INCURRED COSTS ASSOCIATED WITH THE PROVISION OF WIRELINE ENHANCED 911 SERVICES, RELAY SERVICE FOR TTD/TTY USERS, COMMUNICATIONS EQUIPMENT	7/14/2003	TELECOM

03-64	PETITION OF SOUTHERN UNION COMPANY FOR AUTHORIZATION TO ISSUE  LONG-TERM DEBT, PURSUANT TO G.L. C. 164, § 14, AND EXEMPTION FROM THE PROVISIONS OF G.L., C. 164, §§ 15 AND 15A.	9/23/2003	GAS
03-65	PETITION OF BLACKSTONE GAS COMPANY FOR APPROVAL TO INCUR LONG-TERM  INDEBTEDNESS IN THE PRINCIPAL AMOUNT OF \$600,000 PURSUANT TO GENERAL LAWS, C. 164 §. 14.	8/22/2003	GAS
03-66	PETITION OF KEYSpan ENERGY DELIVERY NEW ENGLAND REGARDING GAS RESOURCE  PORTFOLIO CHANGES.	10/16/2003	GAS
03-68	ASSESSMENT FOR FISCAL YEAR 2004	7/16/2003	OTHER
03-67	REQUEST OF MASSACHUSETTS ELECTRIC COMPANY AND NANTUCKET ELECTRIC  COMPANY FOR APPROVAL OF A STANDARD OFFER SERVICE SUPPLY CONTRACT AMENDMENT AND RECOVERY OF COSTS IN STANDARD OFFER SERVICE ADJUSTMENT.	8/20/2003	ELECTRIC
03-7	PETITION OF COMMONWEALTH ELECTRIC COMPANY, UNDER THE PROVISIONS OF  SECTION 3 OR THE GENERAL LAWS, CHAPTER 40A, FOR EXEMPTION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY FROM THE OPERATION OF THE ZONING BY-LAWS OF THE TOWN OF BARNSTABLE FOR THE CONS	4/29/2003	SITING
03-70	PETITION BY THE STATEWIDE TOWING ASSOCIATION, INC. TO COMMENCE A RULEMAKING TO AMEND THE RATES FOR THE TOWING OF MOTOR VEHICLES.	10/10/2003	TRANS
03-72	PETITION OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY FOR APPROVAL TO  ISSUE \$10,000,000 IN LONG-TERM DEBT, PURSUANT TO M.G.L. C. 164, § 14, AND AN EXEMPTION FROM THE REQUIREMENTS OF M.G.L. C.164, § 15, AS WELL AS AUTHORITY TO RECEIVE A CAPITAL CONTRIBUTION	9/24/2003	ELECTRIC
03-75	PETITION OF SOUTHERN UNION COMPANY FOR AUTHORIZATION AND APPROVAL BY  THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, PURSUANT TO G.L. C. 164, § 14, TO ISSUE FROM TIME TO TIME, UP TO 7.0 MILLION SHARES OF COMMON STOCK IN ORDER TO ADMINISTRATE ITS 2003 STOCK	11/21/2003	GAS
03-79	PETITION OF BAY STATE GAS COMPANY FOR APPROVAL, PURSUANT TO G.L. C. 164, §  94A, OF A PRECEDENT AGREEMENT WITH TENNESSEE GAS PIPELINE COMPANY.	11/13/2003	GAS
03-81	PETITION OF WITCHES BROOK WATER COMPANY FOR APPROVAL OF LONG-TERM  FINANCING IN THE AMOUNT OF \$40,000.	12/9/2003	WATER
03-85	PETITION OF KEYSpan ENERGY DELIVERY FOR APPROVAL OF PROPOSED CHANGES TO ITS GAS PROCUREMENT PRACTICES.	11/13/03	GAS
03-87	REPORT OF THE DEPARTMENT OF TELECOMMUNICATIONS & ENERGY RELATIVE TO  REDUCING THE NUMBER OF DOUBLE UTILITY POLES WITHIN THE COMMONWEALTH, PURSUANT TO CHAPTER 46 OF THE ACTS OF 2003, SECTION 110.	11/28/2003	ELECTRIC
03-88	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS ON MOTION INTO THE COSTS THAT SHOULD BE INCLUDED IN DEFAULT SERVICE RATES	11/17/2003	ELECTRIC
03-93	PETITION OF MASSACHUSETTS ELECTRIC COMPANY RESPECTFULLY REQUESTS  DEPARTMENT APPROVAL OF TWO SPECIAL CONTRACTS FOR THE CONSTRUCTION OF DISTRIBUTION FACILITIES TO PROVIDE SERVICE IN ROYALSTON, MASSACHUSETTS, PURSUANT TO M.G.L. C. 164, § 94.	11/21/2003	ELECTRIC
03-9	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY ON ITS OWN MOTION INTO FITCHBURG GAS AND ELECTRIC LIGHT COMPANY'S DEALINGS WITH ENERMETRIX, INC.	3/21/2003	GAS
03-97	APPEAL BY TIME WARNER ENTERTAINMENT-ADVANCE NEWHOUSE PARTNERSHIP OF ORDER ISSUED BY THE CABLE TELEVISION DIVISION FOR A DETERMINATION OF CABLE TELEVISION RATES.	10/27/2003	CABLE

03-TD-1	REQUEST OF VIKTOR KOZHENEVSHIY FOR A WAIVER OF THE APPEAL FILING DEADLINE PURSUANT TO 220 C.M.R. § 250.06 TO APPEAL THE DECISION OF THE DIRECTOR FO THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY'S TRANSPORTATION DIVISION DENYING HIS APPLICATIONS FOR A SC	11/19/2003	TRANS
98-48/49-A II	PETITION OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY FOR APPROVAL OF A FIVE-YEAR ENERGY EFFICIENCY PLAN	1/22/2003	ELECTRIC
98-84	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, ON ITS OWN MOTION, COMMENCING A NOTICE OF INQUIRY AND RULEMAKING, PURSUANT TO M.G.L. C. 164, §§ 69H, 69I, 76C, AND 220 C.M.R. §§ 2.00 ET SEQ., INTO (1) RESCINDING 220 C.M.R. §§ 10.00 ET SEQ	4/22/2003	ELECTRIC
98-84	INVESTIGATION BY THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY, ON ITS OWN MOTION, COMMENCING A NOTICE OF INQUIRY AND RULEMAKING, PURSUANT TO M.G.L. C. 164, §§ 69H, 69I, 76C, AND 220 C.M.R. §§ 2.00 ET SEQ., INTO (1) RESCINDING 220 C.M.R. §§ 10.00 ET SEQ	8/8/2003	ELECTRIC
98-AD-12	ADJUDICATORY HEARING IN THE MATTER OF COMPLAINT OF RALPH TIMBERLAKE, RELATIVE TO THE RATES AND CHARGES FOR ELECTRICITY SOLD BY WESTERN MASSACHUSETTS ELECTRIC COMPANY.	5/9/2003	OTHER
98-AD-5	ADJUDICATORY HEARING IN THE MATTER OF COMPLAINT OF JOSEPH PEZZULO, RELATIVE TO THE RATES AND CHARGES FOR ELECTRICITY SOLD BY BOSTON EDISON	5/1/2003	CONS ADJ



## Appendix 2 - Cable Television Division Orders Issued in 2003

<u>Date Issued</u>	<u>Docket Number</u>	<u>Operator/Subject</u>
January 14, 2003	CTV 02-10	AT&T/Cambridge - Order on Motion for Order Approving Transfer
January 22, 2003	CTV 02-11	AT&T/Bedford - Order on Motion for Order Approving Transfer
February 11, 2003	CTV 02-5	AT&T/Westford - Order to Show Cause
February 11, 2003	CTV 02-9	AT&T/Yarmouth - Order to Show Cause
February 11, 2003	CTV 02-12	AT&T/Barnstable - Order to Show Cause
February 11, 2003	CTV 02-13	AT&T/New Bedford - Order to Show Cause
February 11, 2003	CTV 02-14	AT&T/Lakeville - Order to Show Cause
February 19, 2003	CTV 02-2	AT&T Broadband - Rate Order
February 26, 2003	CTV 02-12	AT&T/Barnstable - Order Approving Transfer
February 26, 2003	CTV 02-13	AT&T/Bedford - Order Approving Transfer
March 25, 2003	CTV 02-3	Adelphia Communications - Rate Order
March 28, 2003	CTV 02-4	Cox Communications - Rate Order
April 7, 2003	CTV 00-9	Cox Communications - Rate Order on Remand
April 8, 2003	CTV 02-2	AT&T Broadband - Order on Compliance Filing
April 23, 2003	CTV 02-2	AT&T Broadband - Order Approving Compliance Filing
July 2, 2003	CTV 02-17	Charter Communications - Rate Order
July 7, 2003	CTV 01-1/01-3	AT&T Broadband - Rate Order on Remand
July 21, 2003	CTV 01-4	Adelphia Communications - Second Order Mandating Compliance

July 31, 2003	CTV 02-17-A	Charter Communications - Department's Order on Motion for Leave to File Appeal
August 11, 2003	CTV 03-3	Order Opening a Notice of Inquiry to Review the Form 100, the License Application
August 18, 2003	CTV 01-4	Adelphia - Notice of Comment Period on Compliance Filing
August 27, 2003	CTV 02-17	Charter Communication - Order Accepting Compliance Filing
September 30, 2003	CTV 02-16	Time Warner Cable - Rate Order
October 7, 2003	CTV 01-4	Adelphia Communications - Order Rejecting Compliance Filing
October 30, 2003	CTV 02-16	Time Warner Cable - Order Mandating Compliance
November 21, 2003	CTV 02-16	Time Warner Cable - Order on Compliance Filing
November 25, 2003	CTV 01-4	Adelphia Communications - Order Accepting Compliance Filing
December 23, 2003	CTV 03-1	Comcast Cable - Rate Order

### Appendix 3 - Energy Facility Siting Board Orders Issued in 2003

<u>Docket</u>	<u>Date</u>	<u>Title</u>
EFSB 02-1	May 9, 2003	Petition of Colonial Gas Company d/b/a KeySpan Energy Delivery New England to Construct an Underground Natural Gas Pipeline in the Towns of Bourne, Sandwich, and Falmouth, Massachusetts (Final Decision).
EFSB 98-5	June 13, 2003	Notice of Inquiry on Adoption of an Alternative Process to Exempt Electric Companies from the Provisions of G.L. c. 164, § 69H (Final Decision).
EFSB 02-3	October 10, 2003	KeySpan Energy Delivery New England (Decision Closing Investigation).
EFSB 99-2A/ D.T.E. 99-17A	October 10, 2003	Petition of The Berkshire Gas Company for Approval to Construct a D.T.E. 99-17A Liquefied Natural Gas Storage and Vaporization Facility in Whatley, MA; and Petition for an Exemption from the Zoning Bylaws of the Town of Whatley in Connection with the Construction and Operation of a Liquefied Natural Gas Storage and Vaporization Facility (Decision on Compliance and on Motion for Protective Treatment).

#### Appendix 4 - 2003 Consumer Division Statistics by Industry

Company	Inquiries	Cases	Adjustments
<b>CABLE COMPANIES</b>			
ADELPHIA CABLE	79	59	\$895.29
ATTBroadband	333	12	\$5,415.37
CABLEVISION	5		
CENTURY CABLE	14		
CHARLEMONT CABLE	9		
CHARTER CABLE	45	32	\$236.73
Comcast Corp.	1403	850	\$8,288.86
COX CABLE	1	1	\$52.27
INLAND CABLE	1		
RCN Cable	6	7	\$0.00
SHREWSBURY CABLE	1	1	\$0.00
TIME WARNER CABLE	37	13	\$0.00
<b>Cable Total</b>	<b>1934</b>	<b>975</b>	<b>\$14,888.52</b>
<b>ELECTRIC COMPANIES</b>			
BOSTON EDISON (NSTAR))	917	723	\$86,925.59
CAMBRIDGE ELECTRIC	9	5	\$50.00
COMELECTRIC	55	185	\$3,731.44
MASSACHUSETTS	1020	643	\$8,303.14
NANTUCKET ELECTRIC	1	1	\$0.00
WESTERN MASS ELECTRIC	162	109	\$8.38
<b>Electric Total</b>	<b>2164</b>	<b>1666</b>	<b>\$99,018.55</b>

<b>GAS COMPANIES</b>			
BAYSTATE GAS	262	403	\$17,210.24
BERKSHIRE GAS	12	13	\$447.11
BLACKSTONE GAS		2	\$0.00
BOSTON GAS	896	524	\$58,837.73
COLONIAL GAS CAPE	98	111	\$14,623.47
COLONIAL GAS LOWELL	32	41	\$2,457.93
COMMONWEALTH GAS	87	146	\$5,865.30
ESSEX COUNTY GAS		19	\$1,952.29
FALL RIVER GAS	48	65	\$1,351.84
FITCHBURG GAS &	32	84	\$1,483.55
NORTH ATTLEBORO GAS	4	7	\$0.00
OTHER GAS CO.	2	3	\$0.00
<b>Gas Total</b>	<b>1473</b>	<b>1418</b>	<b>\$104,229.46</b>
<b>MUNICIPAL ELECTRIC</b>			
BELMONT MUNICIPAL ELEC		2	\$0.00
BRAINTREE MUNICIPAL		2	\$0.00
CHICOPEE MUNICIPAL	1	3	\$0.00
DANVERS MUNICIPAL ELEC	4		
GROTON MUNICIPAL ELEC		1	\$1,108.33
GROVELAND MUNICIPAL		1	\$0.00
HINGHAM MUNICIPAL ELEC	2	1	\$0.00
HOLDEN MUNICIPAL ELEC	1		
HOLYOKE MUNICIPAL ELEC	2	24	\$0.00
HUDSON MUNICIPAL ELEC		1	\$0.00
HULL MUNICIPAL ELEC		6	\$0.00
IPSWICH MUNICIPAL ELEC		2	\$5.38
LITTLETON MUNICIPAL		1	\$0.00
MANSFIELD MUNICIPAL	2	3	\$0.00
MARBLEHEAD MUNICIPAL	1		
MERRIMAC MUNICIPAL		1	\$0.00
MIDDLEBORO MUNICIPAL	1	3	\$0.00
N. ATTLEBOROUGH MUN	1	8	\$0.00
NORWOOD MUNICIPAL	2	4	\$0.00
PEABODY MUNICIPAL ELEC	1	2	\$0.00

PRINCETON MUNICIPAL		2	\$0.00
READING MUNICIPAL ELEC	10	4	\$0.00
S. HADLEY MUNICIPAL		2	\$0.00
SHREWSBURY MUNICIPAL	2	1	\$0.00
STERLING MUNICIPAL	1	1	\$0.00
TAUNTON MUNICIPAL ELEC	3	18	\$0.00
TEMPLETON MUNICIPAL		1	\$0.00
WAKEFIELD MUNICIPAL	4	2	\$0.00
WELLESLEY MUNICIPAL	1	1	\$0.00
WESTFIELD MUNICIPAL	2	5	\$0.00
<b>Municipal Total</b>	<b>41</b>	<b>102</b>	<b>\$1,113.71</b>
<b>MUNICIPAL GAS</b>			
HOLYOKE MUNICIPAL GAS	3	3	\$0.00
WESTFIELD MUNICIPAL	3	2	\$0.00
<b>Municipal Total</b>	<b>6</b>	<b>5</b>	<b>\$0.00</b>
<b>NOT APPLICABLE</b>			
OTHER	1199	23	\$0.00
	<b>1199</b>	<b>23</b>	<b>\$0.00</b>
<b>SUPPLIER</b>			
DOMINION RETAIL, INC.		1	\$0.00
ENSERCH ENERGY	1		
ESSENTIAL.COM		1	\$0.00
EXELON ENERGY	1		
SERVI-SENSE =	6	1	\$0.00
<b>Supplier Total</b>	<b>8</b>	<b>3</b>	<b>\$0.00</b>
<b>TELECOMMUNICATIONS</b>			
0	4	1	\$0.00
01 Communications of	1		\$0.00
011 Communications	1	20	\$546.92
1 Com, Inc.	8		
ACCXX Communications		1	\$0.00
ACN		2	\$0.00
Advanced Telecom. Network	1		
Advantage	4	19	\$1,103.51
Affinity Network Inc.	1		

AIRNEX COMMUNICATIONS		1	
Allegiance Telecom, Inc.	2	12	\$1,032.63
Alliance Group Services, Inc.		1	\$0.00
American Phone Services,		10	\$612.55
America's Digital Satellite		3	\$0.00
America's Tele-Network,	7		\$0.00
Amer-I-Net Services, Corp.		1	\$0.00
Aquarion Water Company	3	13	\$1,823.88
AT&T	1450	1027	\$47,501.61
BAK Communications LLC	3	1	\$0.00
Bay Ring Communications	1	1	\$0.00
Better Worl Telecom, Inc.		1	\$0.00
BROADVIEW NETWORKS	2	34	\$15,904.71
BroadWing		6	\$227.91
Business Discount Plan, Inc.		1	\$0.00
Buyers Online		1	
CAPITAL	1		
CHOICE ONE	14	21	\$1,050.24
Cierracom Systems		1	\$514.13
Clearworld Communications		2	\$0.00
Cointel Inc.	1		
Comcast Phone, LLC	254	253	\$11,413.27
Communicate Technological		3	\$277.57
Conversent Communications	1	8	\$0.00
CoreComm Massachusetts,	1	3	\$0.00
CTC Communication Corp	2	7	\$2,045.00
Eastern Telephone, Inc.		4	\$224.94
eLEC - formerly ESSEX		2	\$1,850.00
Empire One		2	\$0.00
Excel/Vartec	11	22	\$384.54
EZ TALK		1	\$0.00
Fairpoint Communications	7		
FCC	190		
Federal TransTel, Inc.	1		
Global Crossing Telecom	2	17	\$433.55

HOLD BILLING		1	\$32.35
IDT Corporation	8	13	\$42.15
ILD - Evercom - Talton -	1	6	\$29.95
IMR Telecom	1	1	\$0.00
INCOMNET COMM.CORP.			\$0.00
INTEGRETEL	2	7	\$62.30
LCR Telecom, LLC		2	
Least Cost Routing, Inc.		1	\$0.00
Legent Communications Corp. dba/Long Distance		3	\$0.00
Lifeline Communications		1	\$0.00
Lightyear Communications		2	\$3,525.18
Local Phone Company DBA Optimum Global	1	5	\$0.00
Massachusetts Local	4	14	\$113.35
MCI-Agency Relations	282	316	\$19,000.30
Metro Teleconnect		1	\$39.50
National Accounts, Inc.			\$0.00
Network Enhanced		2	
Network Plus, Inc.	2		\$0.00
NorCom, Inc.		1	
NOS Communications, Inc.	1	20	\$2,477.75
ONESTAR LONG DISTANCE	1	10	\$0.00
OPERATOR ASSISTANCE		1	\$0.00
Opex Communications, Inc,		2	\$0.00
OPTICAL TELEPHONE		16	\$484.81
Opticom-One Call	6	8	\$11.75
Optimum Global Communications, Inc. DBA		3	\$0.00
OTHER COCOTS	12	2	\$0.00
OTHER TELEPHONE CO.	33	59	\$6.07
Plan B Communications, Inc.		3	\$0.00
PowerNetGlobalCommunicati		4	\$213.74
Primus Telecommunications,		6	\$268.21
QCC	1		
Qwest Communications		13	\$2,160.23



RCN Telephone		12	\$84.95
Richmond Telephone		3	\$0.00
Ridley Telephone Company,		1	
RNK, Inc.	3	3	\$0.48
ServiSense		2	\$39.95
SPRINT	46	274	\$29,279.23
Startec Global		3	\$61.34
Talk America Inc.	12	12	\$1,273.45
TALK TIME	6	1	\$0.00
TELECARRIER SERVICES	1		
Teligent Services, Inc.		1	\$0.00
Touch One Communications		1	\$0.00
Trans National		1	\$220.70
TTI National, Inc.	1		
U. S. TELECOM LONG	5	36	\$1,495.61
UKI Communications, Inc.		9	\$147.46
United Systems Access		5	\$0.00
USBI	4	8	\$384.64
USP&C			\$0.00
VarTec Telecom, Inc.	29	60	\$3,349.57
VERIZON	4074	1597	\$13,705.08
WebNet Communications		3	\$171.17
WiITel Communications, LLC	1		
WORKING ASSETS LONG		3	\$0.00
World Communication		15	\$502.78
WORLD XCHANGE		5	\$112.50
WorldCom Network Services,		2	\$0.00
XO Communications, Inc.		1	\$0.00
YesTel Inc			\$0.00
ZEROPLUS	2	5	\$0.00
Zone Telecom, Inc.		1	\$67.19
Z-TEL	2	11	\$51.22
Telecommunications Total	6514	4100	\$166,361.92
<b>UNKNOWN</b>			
UNKNOWN		35	\$0.00

		35	\$0.00
<b>WATER COMPANIES</b>			
ACOAXET WATER WORKS	1		
AQUA WATER COMPANY	20		
ASSABET WATER		1	
BARNSTABLE WATER	1	2	\$0.00
DOVER WATER COMPANY		1	\$0.00
EAST NORTHFIELD WATER	1		
GLACIER LAKE CHARLES	1		
MAHKEENAC	1		
OAKES WATER COMPANY	1		
OTHER WATER CO.	1	1	\$0.00
PINE HILL WATER		1	\$0.00
PLYMOUTH WATER CO.		1	\$0.00
WHITINSVILLE WATER CO	1		
WITCHES' BROOK WATER		3	\$0.00
<b>Water Total</b>	<b>28</b>	<b>10</b>	<b>\$0.00</b>
<b>Automatic Transfers to</b>	<b>60540</b>		
<b>GRAND TOTAL</b>	<b>73907</b>	<b>8337</b>	<b>\$385,612.16</b>